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OVERSIGHT HEARINGS ON THE IMPACT AID LAWS AND TESTIMONY ON H.R. 5181

HEARINGS

BEFORE THE

SUBCOMMITTEE ON ELEMENTARY, SECONDARY, AND VOCATIONAL EDUCATION

OF THE

COMMITTEE ON EDUCATION AND LABOR

HOUSE OF REPRESENTATIVES

NINETY-FOURTH CONGRESS

FIRST SESSION

ON

H.R. 5181

TO AMEND THE EDUCATION AMENDMENTS OF 1974

HEARINGS HELD IN WASHINGTON, D.C.
FEBRUARY 27, APRIL 9 AND 15, 1975

Printed for the use of the Committee on Education and Labor

CARL D. PERKINS, *Chairman*

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OVERSIGHT HEARINGS ON THE IMPACT AID LAWS AND TESTIMONY ON H.R. 5181

THURSDAY, FEBRUARY 27, 1975

HOUSE OF REPRESENTATIVES, SUBCOMMITTEE ON ELEMENTARY, SECONDARY, AND VOCATIONAL EDUCATION OF THE COMMITTEE ON EDUCATION AND LABOR,
Washington, D.C.

The subcommittee met at 9:15 a.m., pursuant to call, in room 2175, Rayburn House Office Building, Hon. Carl D. Perkins (chairman of the committee) presiding.

Present: Representatives Perkins, Ford, Meeds, Chisholm, Lehman, Risenhoover, Simon, Zeferetti, Miller, Mottl, Hall, Quie, and Goodling.

Staff members present: John F. Jennings, counsel of the subcommittee and Christopher Cross, minority senior education specialist.

Chairman PERKINS. The Subcommittee on Elementary, Secondary, and Vocational Education is holding a hearing today to oversee the implementation of the amendments to the impact aid laws which were adopted in the Education Amendments of 1974, Public Law 93-380.

Our prime purpose in conducting this hearing is to ascertain from the administration how far along it is in implementing those amendments, whether it anticipates any additional costs in the program due to those amendments, and what sections of the amendments it sees as needing corrective, technical changes.

In addition to testifying today it is my understanding that the administration would like to present us with its new proposal for amending the impact aid laws.

We will also be hearing today from various Members of Congress and from administrators of school districts receiving impact aid.

Our first witness this morning is the Honorable Pete V. Domenici of New Mexico.

TESTIMONY OF HON. PETE V. DOMENICI, A U.S. SENATOR FROM THE STATE OF NEW MEXICO, ACCOMPANIED BY DR. LARRY HUXEL, ASSISTANT CHIEF, PUBLIC SCHOOL FINANCE DIVISION, DEPARTMENT OF FINANCE AND ADMINISTRATION, STATE OF NEW MEXICO

Senator DOMENICI. Thank you very much, Mr. Chairman.

Mr. Chairman and committee members, I greatly appreciate this opportunity to spend a few moments with you. I won't take long.

I have with me Dr. Larry Huxel, assistant chief, Public School Finance Division, for technical questions.

Mr. Chairman, we in New Mexico have implemented what has been acknowledged as one of the finest equalization plans for public school financing in the country.

We think we have removed the inequities which formerly resulted in property wealth differences among local school districts.

No longer are children in New Mexico penalized in their educational opportunities due to the wealth of their particular community.

At the same time New Mexico provides for the varying needs of children through the use of higher weights for each child participating in higher cost programs such as special and vocational education.

Our concern at this time is in the use of Public Law 874 funds. New Mexico does include Public Law 874 funds in its equalization program. Exclusion of Public Law 874 revenues creates the peaks and valleys characteristic of gross disequalization. The experts in the State Division of Public School Finance feel an equitable equalization plan must take into account these funds.

Since last October our officials from New Mexico have been working closely with officials from other States and the U.S. Office of Education to develop rational guidelines for equalization programs.

However, over this period of 4 months there have been apparently difficulties in getting definitive answers to specific questions, which is basically the reason we are here today and which I understand from the chairman's introductory remarks is the basic reason for the hearings.

We are confident that New Mexico can meet any reasonable criteria for financial equalization. So we are not here as a State that doesn't think we have such a plan nor can we qualify under any reasonable definition.

Qualifying within the equalization plan guidelines will allow New Mexico to utilize Public Law 874 revenues in our plan.

There is no major concern on our part with this section of the law or the guidelines currently being discussed by the U.S. Office of Education.

Our primary concern is with the interpretation of the Meeds' amendment by the U.S. Office of Education in the determination of the proportion of Public Law 874 revenues which may be included by a State in its equalization program.

I understand the New Mexico officials have received no satisfaction in working with the Office of Education on this issue in attempting to develop reasonable criteria.

The issue centers on the definition of "local revenue" as utilized within the law as it pertains to Public Law 874 funds. Specifically the question is the inclusion or exclusion of debt service revenue within the definition of "local revenue."

The State of New Mexico argues and urges that debt service has no rational relationship to Public Law 874 funds and should therefore be excluded.

Public Law 874 funds, as we in New Mexico understand, were intended to help offset the loss of property tax revenue for the current expenditures of public schools. Current expenditures, as defined by

Public Law 874 itself excluded debt service revenue The input data utilized to calculate Public Law 874 allocations exclude debt service revenue.

Public Law 874 is unrelated to debt service. Public Law 815 was designed and is intended to provide funds for building construction on Federal property.

Debt service and Public Law 815 do have a rational relationship. But our concern today is Public Law 874, not Public Law 815.

With no evident rational relationship between Public Law 874 and debt service, why is there now an apparent desire to tie the two together thereby lowering the proportion of Public Law 874 which could be included by a State in an equalization plan?

To date no direct answer has been provided to us by U.S. Office of Education personnel.

It is apparent, however, that part of the problem and probably most of the problem is that some States have utilized Public Law 874 funds for debt service when they could not receive aid through the legitimate avenue of Public Law 815.

There would seem to be a push to distort Public Law 874 since there has been a problem with Public Law 815 funding.

It would seem the more logical approach would be to correct deficiencies in Public Law 815, if that is indeed where the problem lies.

Typical State school finance plans treat current operational expenditures and debt service as distinct entities. Without a doubt this fact accounts in part for the existence of two Federal laws regarding impact aid, one, Public Law 874, for current expenditures and the second, Public Law 815, for building construction. The two phases of school financing are separate and we believe should be handled that way.

"Local revenue" in the Meeds amendment language pertaining to the use of Public Law 874 revenue should be defined as "the revenue produced by local school taxes levied for current expenditures of the public schools."

This type of language is directly related to the "in lieu of local property tax" nature of Public Law 874 and takes into account the vast majority of local revenues utilized by public schools to meet their current expenditures.

Mr. Chairman and members of the committee, I thank you for putting me first on the list of witnesses and giving me this opportunity to make this brief statement.

I do have New Mexico's expert here if you care to ask him what the effect of our equalization plan would be.

Chairman PERKINS. It is my understanding of the Meeds amendment that it would consider only current expenditures and not debt service and capital outlay.

But I defer until the gentleman from Washington arrives in connection with pursuing that question.

Let me ask you for your interpretation.

Mr. HUXEL. Yes, sir, our interpretation was just the same as yours, Mr. Chairman.

In that since Public Law 874 is related directly to the current expenditures of the public schools that when we are defining the local

revenues we are talking only of current expenditures and only that which is produced by a tax levy with the purpose of current expenditures thereby excluding such other revenues as earnings from investment, fees from patrons, those types of revenues should also be excluded.

Chairman PERKINS. Mr. Goodling, any questions?

Mr. GOODLING. Nothing at this time.

Chairman PERKINS. Mr. Simon?

Mr. SIMON. Senator--and I forget the other gentleman's name.

Mr. HUXEL. Huxel. Larry Huxel.

Mr. SIMON. Just a very general question about impact aid in your State. My observation in a very limited way is that impact aid first of all has this liability, that sometimes it helps wealthy districts that really don't need some assistance.

The other thing that concerns me—and I am from a rural area in southern Illinois—is that sometimes it seems to help areas of urban poverty of need but not rural areas of need.

I am for helping our urban areas of need. But I am also for balancing.

I am just curious as to your observations in the State of New Mexico.

Mr. HUXEL. Yes, sir, your points are quite good in that the reason that a State must have an equalization plan and must meet the criteria for an equalization plan is that it takes into account the needs of all the school districts and all the students within that State.

And so, to make the point that you brought out, the State's plan would have to acknowledge both the needs of the urban and the rural.

And if the State plan does that then the State could and must in our opinion take into consideration Public Law 874 funds to help meet the cost of that identified need within the State plan.

But the first key is to have an equalization plan within the State which is indeed an equitable plan which meets the needs of all the students.

Mr. SIMON. And you find in the State of New Mexico—if I may pursue—that in your State plan you do not find inequities in distribution?

Mr. HUXEL. If we had not gone to the equalization plan—to preface that, prior to our equalization plan we did have gross inequities where some school districts who were the rich in property were also rich in Public Law 874 so that we created the peaks.

There were also other school districts that were poor in property and had no 874.

So we had gross inequities between the two.

Then we moved to an equalization plan where we identified the needs of students by a number of criteria which addressed both the urban and rural, the Indians, Spanish of our State, and tried to do what we feel is a very creditable job of establishing a need basis.

From there we look at the sources of revenue that a school district has, both the local property and Public Law 874. And since the two are essentially offsets—the Public Law 874 in lieu of a local property tax—we treat the two in an identical manner in our plan.

Mr. SIMON. Thank you very much.

Let me add just one other word. I like the State of New Mexico, the way you blended the three cultures there is a magnificent thing.

I am pleased to hear you say what you are doing in the school system there.

Chairman PERKINS. Mr. Miller?

Mr. MILLER. No questions.

Chairman PERKINS. Mr. Mottl?

Mr. MOTTL. Mr. Chairman, no questions.

Chairman PERKINS. I want to thank you gentlemen very much for your appearance here this morning.

Senator DOMENICI. Thank you, Mr. Chairman.

Mr. HUXEL. Thank you.

Chairman PERKINS. We now have a couple of Congressmen, the Honorable Andrew J. Hinshaw of California and Mr. Burgener.

Will you gentlemen come up at this time?

Just go right ahead.

TESTIMONY OF HON. ANDREW J. HINSHAW, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA, AND HON. CLAIR BURGENER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. HINSHAW. Mr. Chairman, my name is Andrew Hinshaw. I am a Congressman from California. Sitting beside me is Clair Burgener, also of California.

We are Congressmen in two districts which are contiguous in the southern California area of Orange County and San Diego County.

There are three school districts which are affected. Then in addition to that there is a school district which is affected in my own district in Orange County.

What we would like to do with the chairman's permission is to give a brief overview of the broader picture of section II, which is the only portion we are talking about here, and get into a few of the details.

Mr. BURGENER. Mr. Chairman, members of the committee, we deeply appreciate this opportunity to present what we hope will be a relatively minor problem to the committee but a very major problem to our school districts.

If you will forgive me if I make mistakes in numbers—and they certainly will not be intentional—but it is my understanding that there are some 16,000 school districts in the United States roughly. There are some one-fourth of that involved in impact aid, Public Law 874.

But in section II, which is the subject to which we address ourselves today, there are only some 170 in the Nation, which would really be closer to 1 percent of the school districts in the Nation. And of those Mr. Hinshaw and I have three that are most directly affected.

Section II does not have to do with A and B chilldren who live or whose parents live or work on or off the base. They have to do with real estate. And they have to do with a majority of the school district's land being in a Federal Establishment.

We represent the communities of Oceanside and Fallbrook and the great Marine base at Camp Pendleton is the area in question.

Under Public Law 93-380, I understand is H.R. 69, we think and we hope that inadvertently section II somehow got seriously affected and we hope unintentionally so.

The amount of money to fund section II at 100 percent would be about $11 million. If we got 60 percent of that money we would be getting $6 or $7 million.

So the money we are talking about is $4 or $5 million, in that range. But a majority of that or a large part would come to these 170 school districts throughout the country.

So when the Fallbrook School District for example, probably 80 percent of all the land has been acquired by the Federal Government since 1938 and is in the school district. So that is the basic problem.

Maybe what we are seeking would require a change in the law. We don't know. We would ask our counsel to help us later on that. It may be beyond the capacity of this committee to make the change without legislation. We don't know that.

So I call on Mr. Hinshaw to give you some of the figures.

Thank you, Mr. Chairman.

Chairman PERKINS. All right.

Mr. HINSHAW. Mr. Chairman, dealing with just section II only for the Fallbrook Union School District, which is an elementary school district, to receive 100 percent of funding they would have received or have been receiving $565,000.

Under the tier 1 provision of existing law, 93-380, they receive $141,250.

Under tier 2 they receive $197,750 for a grand total of $339,000.

This means a loss to that school district of $226,000.

When we recognize that the enrollment in that elementary school district is 2,840 students that is an operating budget for that school district of $3,818,000.

With the loss of $226,000 under the changed provisions of section II that means that is a loss of 6 percent of the operating budget, solely to this provision of the law.

When we go to the Fallbrook Union High School District we find under tier 1 they are getting $110,750 and under tier 2, $155,050 for a grand total of $265,800.

Previously at 100 percent it would have retained $443,000.

This means there is a loss over the previous year of $177,000.

In that high school district they have an enrollment of 1,700 students. They have an operating budget of $2,808,000. A loss of $177,000 is $6\frac{1}{2}$ percent of the operating budget due solely to the loss of this section II money.

In the Oceanside Unified School District under tier 1 they would get under the existing law $312,500.

Under tier 2, $437,500, for a grant total of $750,000.

At 100 percent funding they would receive $1,250,000. That means a loss to this unified school district of Oceanside of $500,000.

Mr. Chairman, I should point out that the assessed value of the land only at Camp Pendleton, Calif., a Marine base in California which Mr. Burgener has indicated was acquired since 1938, the total assessed value of that land in the school districts is over $50 million and there are 128,000 acres on that base.

We have a tremendous impact on just these three school districts, as you can see, losing fantastic percentages of their budget.

Mr. Chairman, I also do not know whether it will require a change in the law but it doesn't seem to me possible that for such a small fraction of impact aid the change in the law would have such a dramatic

impact on school districts in an urban area as well as in somewhat of a rural area.

Mr. Chairman, I thank you for the opportunity of appearing before the committee today. I sincerely hope that we can solve the dilemma of the school districts in this respect.

Chairman PERKINS. Let me thank you gentlemen very much for your appearance here this morning.

We will do our best to see if we cannot correct some of these inequities.

Mr. BURGENER. Thank you, Mr. Chairman.

Mr. HINSHAW. Thank you.

Chairman PERKINS. Our next witness is the Commissioner of Education, Dr. Bell.

Go ahead, Dr. Bell. We would like for you in general to depart from your prepared statement and give us the reasons why you have these cutbacks and are considering only current expenditures, whether you are going ahead with considering debt service and all these things. Just go ahead.

[Prepared statement of T. H. Bell follows:]

PREPARED STATEMENT OF HON. T. H. BELL, U.S. COMMISSIONER OF EDUCATION, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Mr. Chairman and Members of the Committee: It is my pleasure to appear before you this morning to review the status of the changes in the Impact Aid Program called for in P.L. 93-380, The Education Amendments of 1974, and to discuss the Administration's proposed changes in the law for Fiscal Year 1976.

The Education Amendments of 1974 have revised substantially the P.L. 874 authorization language. Entitlement formulas and methods of making payments are drastically changed. As a result, what was a complex law has become even more complex and confusing to both applicants and administrators.

PUBLIC LAW 874 IN FISCAL YEAR 1975

The major implementation problem for Fiscal Year 1975 relates to the question of equalization. As you know, a provision exists in Section 5(d)(2) of P.L. 874 which prohibits States from taking impact aid payments into consideration when determining eligibity for, or the amount of, State funding. Because of this prohibition, school districts in some States received payments under the State aid program and under P.L. 874 which in some cases result in windfalls. To counteract the adverse effects of this prohibition Congress has added via P.L. 93-380 a means whereby this prohibition may in effect be waived in cases where States have a viable equalization program.

Under Section 5(d)(3), a State is permitted to take into consideration SAFA payments to a school district in the determination of State aid under a State aid program designed to equalize expenditures among local educational agencies. The SAFA payments may be taken into account in determining relative resources or relative need for purposes of the State aid program but only (to use the statutory language) "in proportion to the share that local revenues covered under [the] State equalization program are of total local revenues".

In order to implement this amendment, the Commissioner is required to promulgate regulations containing standards for determining which programs of State aid qualify for the exception. Members of my staff have worked hard to develop these regulations from a number of alternative approaches. We set forth our tentative approach to the problem in a so-called "concept paper" which was shared and discussed with representatives of affected state educational agencies, local educational agencies, and other interested persons, as well as with interested congressional staff members. We are now considering comments received in connection with drafting the actual notice of proposed rulemaking for clearance within the Office of Education and the Department.

Under our current thinking, a State aid program would be evaluated under Section 5(d)(3) in terms of a basic standard which would measure the degree of disparity in revenue or expenditure per pupil among local educational agen-

cies in the State. If such disparity was no greater than 25 percent, then the program would be deemed to qualify for the exception and SAFA payments could be taken into account for the affected districts but only in the proportion allowed by the statute. In the calculation of the disparity, allowance would be made for expenditures for children with special educational needs so as not to adversely affect a State aid program which took such needs into account in its distribution of State aid. If the program did not qualify under this so-called "disparity" test, but the State could show that the application of that standard to the program was inequitable because of peculiar circumstances related to expenditures in that State, then the program might, nevertheless, qualify under a set of evaluative criteria which would take into account such matters as the degree of school revenues equalized, whether education expenditures were predominantly a function of school district wealth, and the like. Provision, of course, would be made for administrative determinations and hearings.

In our reflection on this subject, we have been guided by indications in the legislative history that the Section 5(d)(3) exception was not to be "widely used" and that the Commissioner should make "very careful and deliberate determinations" in granting exemptions (H.R. Rept. 93–805, at 42–43). In addition, our views have been refined as a result of comments on our concept both from affected State and local educational agencies and congressional staff. We will move as quickly as we can to place in the *Federal Register* a notice of proposed rulemaking which will permit all parties to react formally to our regulatory proposal. At the conclusion of the rulemaking process, we will be in a position to make determinations under Section 5(d)(3), including determinations for those several States which were previously found out of compliance with Section 5(d)(2).

PUBLIC LAW 874 IN FISCAL YEAR 1976

A number of other important changes are scheduled to go into effect in FY 1976. These include:

Creation of several subcategories of "A" children;

Exclusion from A and B categories children whose parents are employed outside the State of the school district (but school districts must continue to survey and claim these children for possible eligibility under one of the hold-harmless clauses);

Counting all children who reside on Indian lands in the A category regardless of the employment status of their parents;

Establishment of new subcategories for B children to provide varying local contribution rates for children who reside on Federal property only, those whose parents are employed in the same county as the school district, those employed out of the county but in the same State, and those in the Uniformed Services;

Addition of a payment for handicapped children of parents in the Uniformed Services in both A and B categories equal to one and a half times the usual rate if a special program for their educational needs is being provided;

Provision of three tiers for making payments when appropriations are not sufficient to provide full entitlement;

Authorization of payments for low-rent housing children in the first and third tiers but not in the second. Such payments must be used for programs and projects designed to meet the special educational needs of educationally deprived children from low-income families;

Modification and extension of assistance for decreases in Federal activities;

New hold-harmless provisions (two of which begin in FY 1975).

While we agree with some of these changes, and, in fact, include them in our own bill, we do anticipate major administrative problems with the majority.

Entitlements

I shall try to illustrate the complexities of computing an entitlement for a local education agency by referring you to the chart we have supplied each member. The upper half of the chart shows the various categories of "A" children and entitlement assuming a uniform local contribution rate of $500. The lower half of the chart reveals the various "B" categories of pupils in the same manner. In this illustration a school district would be *entitled* to the dollar amount times the number of pupils in each category or subcategory. If the district has 25 percent or more of its Average Daily Attendance comprised of "A" category pupils it is entitled to 100 percent of the local contribution rate of each subcategory "A" pupil.

Payments

It is even harder to determine how much a district should receive in payment. The Act calls for three levels or tiers of funding. The first tier provides for 25 percent of the funds for each category of entitlement including children residing in low-rent housing. Template No. 1 shows the first tier funding. Template No. 2 shows the second tier funding. This is authorized *only* if sufficient funds are available to *fully fund each* of the categories. Tier 3 would fund each category in proportion to the amount of unpaid entitlement if appropriations were insufficient to fully fund all entitlements.

Estimated requirements for regular entitlements in Fiscal Year 1976 and the payment tiers are attached. In order to estimate payment tiers, it was necessary to place all low-rent housing pupils in the "B" category even though we are certain that some qualify as "A" students because we believe that some Uniformed Services personnel and some employees working on Federal property reside in low-rent housing. Although this causes an inaccuracy in the table showing estimated entitlements, it may be necessary to retain all low-rent housing pupils in the "B" category for both entitlement and payment purposes in order to monitor the funds.

Another complication in the tracking of funds will occur with the handicapped child of the Uniform Services parent residing in low-rent housing, or the handicapped child of the Uniformed Services parent residing on Indian lands.

The table reflects rough estimates especially of pupils "in-county", "out-of-county", and "out-of-State." We hope to refine some of the estimates soon by using a newly-created Property Certification Automated System—perhaps as early as late March or April.

The amendments creating new subcategories of "A" and "B" children present major administrative problems especially with regard to our present automated payment system. For example, where formerly two computations were necessary to compute entitlements for "A" and "B" children, now at least 21 separate computations must be made. This large number is essential in order to treat the subcategories differently in the second and third payment tiers, identify amounts for low-rent and handicapped pupils, and determine amounts for use in the various hold-harmless provisions. Formerly there was only one additional computation (for proration) following the entitlement computation. Now there will be four, one for each of the three payment tiers and the total. Moreover, the present computer form which details the computation of entitlement, prorated entitlement, and payment and which is sent to the applicant along with his check, to Congress for notification, and to the States, undoubtedly will expand from one to two pages. The computer can, of course, accomplish these computations without difficulty once it has been programmed and tested for accuracy, but this total process which includes collection and verification of data and processing of applications will make it difficult to pay local educational agencies on a timely basis.

Another action consuming time and manpower will be the necessary explaining to applicants and State Departments of Education by visit, telephone inquiry, and letters, in more detail than can be provided by a computer form, the basis of entitlements, payments provided in the various tiers, amounts provided by the hold-harmless provisions, and/or reasons for ineligibility under any of the provisions.

Hold-harmless provisions

There are four new hold-harmless provisions which:

Guarantee minimum payment of 80 percent or in cases where 10 percent or more Federally connected children are involved 90 percent of previous year's *payment* to all applicants;

Guarantee minimum payment of 90 percent of previous year's *entitlement* to school districts losing 10 percent or more Federally connected children during FY 1974 and FY 1975 due to decrease or cessation of Federal activities affecting military installations announced after April 16, 1973;

Guarantee minimum payment of 90 percent of previous year's payment for "B" children, if the number of out-of-county and out-of-State "B" children is at least 10 percent of total "B" children; and

Guarantee the difference between payment received from an appropriation shared with low-rent housing pupils and the payment that would have been received if the appropriation were not so shared.

The first two of these provisions are applicable in Fiscal Year 1975.

All of these provisions present problems. If the first hold-harmless was "designed to reduce the impact of changes in entitlements," as the Conference Report states, then it should not become effective until 1976 when the major changes occur. Since it is scheduled to become operative in 1975 one might conclude that it was also designed as insurance against low levels of funding for "A" and "B" children. For example, an applicant who received a special payment in 1974 for a substantial decrease in federally connected children would be unlikely to remain eligible for another such payment in 1975. In this case it is possible that the 1975 payment will be less than 80 percent or 90 percent of the 1974 payment. Then such an applicant would benefit from the provision. If the intention was to fund all such applications for several years on this special basis, they could easily have been included in the second hold-harmless clause which presently relates only to military decreases and which can be funded from the regular appropriation. The first hold-harmless must be funded separately from the regular appropriation.

The requirement that estimates for two of the hold-harmless provisions be furnished within 15 days of a regular appropriation is unreasonable. It is impossible to predict the numerous changes in entitlements and then apply all of the hold-harmless provisions to each changed entitlement and to other hold-harmless provisions before all applications are initially processed. Since final reports are not due until September 30 and cannot be fully processed until the end of the next fiscal year, it is more reasonable to request estimates for the hold-harmless provisions at the end of the first fiscal year following the fiscal year of entitlement. Or, estimates for about three-fourths of the school districts could be ready by the end of January following the close of the fiscal year. However, such action does not permit making funds available to an LEA, if required, in the year of application.

Inequities in impact aid

In addition to the administrative problems discussed above, I think it would be useful to reiterate this Administration's concern with the inequities in the impact aid program. The following items are based upon the findings of the Battelle Memorial Institute Study of five years ago, but, unfortunately, these conditions remain essentially unchanged and would be only slightly modified by the new provisions of P.L. 93-380.

In general, current impact aid payments result in unjustified payments to many school districts, and thus constitute an inequitable use of Federal funds. The major sources of impact aid "windfalls" which still prevail are:

Payments that far exceed the costs of the local government of educating Federal pupils.

Payments to districts that, even without the Federal assistance, are wealthy and well able to support their own schools from local sources with a lower tax effort than most districts in the State.

Payments based on non-taxability of Federal property where activity on that property generates taxes sufficient to defray the education costs of children of persons working on the property.

Double payments to districts that receive funds through in-lieu-of-taxes payments or shared revenues and again through impact aid.

Double payments to districts that receive funds from their State government on an equalization formula.

Higher per pupil payments to rich districts than to poor ones resulting from the methods used to calculate the rate of payment.

Payments based upon children who would likely be attending schools there even if the Federal government had never come into the district.

Payments that do not reflect the economic stimulus that the Federal government may cause in a community.

As a result of such overpayments, districts with a large percentage of federally-connected students are characterized by lower pupil-teacher ratios, higher per pupil expenditures, and lower tax rates than districts with less Federal impact or no impact at all.

Theoretically there should be some reduction in the payments to the wealthier districts, particularly in the Washington, D.C. area, as a result of new provisions giving no payment to out-of-State "B" pupils, but the operation of the variety of "hold-harmless" provisions including one directed specifically at that situation push any real reduction far into the future.

Facing this kind of inequity in a program which has continued to grow in appropriations, the Administration proposes to simplify impact aid and focus

its benefits on only those districts which can truly be said to suffer a Federal impact. Our proposal would continue the pattern adopted in appropriations for the last several years of giving higher priority to "A" pupils by creating an eligibility based on a 100 percent payment for heavy impact "A" districts and 90 percent for other "A's". "B" pupils would be paid at 68 percent and "B" out-of-State pupils would not qualify, thus reducing payments to wealthy school districts. No payments would be made for public housing pupils. Moreover, to make certain that we make payments only where there is a substantial impact, we propose to deduct five percent of the district's previous years current operating expenditures from its total eligibility and pay only the difference. About 900 districts presently receive more than five percent of such expenses from P.L. 874 funds and thus would be eligible for payment in 1976. Of the current districts receiving impact aid approximately 2,400 receive less than 2 percent of their total operating funds from that source. In a period when Federal dollars are at a premium, we believe that this program is a logical candidate to provide savings which are now necessary. But even without the fiscal constraint we feel the program must be brought in check.

In conclusion, Mr. Chairman, we believe that the new provisions of P.L. 874 which take effect in FY 1976 are extremely difficult to administer. We would also note that as a result of the handicapped and public housing provisions, the Federal government for the first time has a mandate to check on the utilization of impact aid funds at the local level. This eliminates one of the major advantages of these funds in the eyes of school administrators—their general purpose use. We suspect these may be the first steps in the direction of a full categorical program which moves far away from the bill's original intent.

We believe that this program has now reached a critical point in terms of administrative complexity, inequities in application, and lack of clarity of purpose. Only a major revision of the program will suffice. We urge that you consider our proposal and proceed to develop a new law which will eliminate or at least reduce the legislative-executive battles which have prevailed in this area for the past quarter century.

Thank you, Mr. Chairman. My colleagues and I will be happy to try to answer any questions you may have.

PUBLIC LAW 81-874—FISCAL YEAR 1976 ESTIMATES

	Authorization			Authorized payments		
	ADA	Average rate [1]	Entitlement	1st tier	2d tier	3d tier
Sec. 3(a):						
3(a)(1)(A) and (B), other	14,240	NA	$9,335,000	$2,333,750	$6,470,610	$530,640
3(a)(2), uniform services	295,480	NA	203,881,000	50,970,250	143,389,550	9,521,200
3(d)(2)(B), special rate			500,000	125,000	375,000	
3(d)(2)(C)(i), handicapped			5,097,000	1,274,250	3,584,750	238,000
3(a)(2) (sec. 403(1)(A)), Indians	52,280	NA	36,073,000	9,018,250	25,370,150	1,684,600
Total	362,000	NA	254,386,000	63,721,500	179,190,060	11,974,440
Sec. 3(b):						
3(b)(1), low-rent	900,000	$288	259,200,000	64,800,000		194,400,000
3(b)(2)(A), in-county	625,000	288	180,172,800	45,043,200	57,655,296	77,474,304
3(b)(2)(B), out of county	469,200	256	120,115,200	30,028,800	33,632,256	56,454,144
3(b)(3), uniform services	391,000	320	125,120,000	31,280,000	43,792,000	50,048,000
3(d)(2)(C)(i): Handicapped Out of State	(78,200)		3,128,000	782,000	1,094,800	1,251,200
Total	2,385,800	NA	687,736,000	171,934,000	136,174,352	379,627,648
Sec. 3(c)(2)(B), 50 percent			−1,000,000	−250,000	−320,000	−430,000
Sec. 2, real property			11,000,000	2,750,000	3,850,000	4,400,000
Sec. 3(e),[3] decrease			8,600,000	2,150,000	2,752,000	3,698,000
Sec. 4, substantial increase			100,000			100,000
Secs. 6 and 402			46,050,000	[4] 46,050,000		
Total			1,007,372,000	286,355,500	321,646,412	399,370,088

[1] Average 100 percent rate equals $690.
[2] Based on full funding.
[3] Funded under sec. 3(b)(2)(A).
[4] Should be a separate appropriation.

TESTIMONY OF HON. T. H. BELL, U.S. COMMISSIONER OF EDUCATION, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, ACCOMPANIED BY CHARLES M. COOKE, JR., DEPUTY ASSISTANT SECRETARY FOR LEGISLATION (EDUCATION), DHEW; DR. ALBERT L. ALFORD, ASSISTANT COMMISSIONER FOR LEGISLATION, OE; AND WILLIAM STORMER, ACTING DIRECTOR, DIVISION OF SCHOOL ASSISTANCE IN FEDERALLY AFFECTED AREAS, BUREAU OF SCHOOL SYSTEMS, OE

Mr. BELL. Mr. Chairman, my statement will be brief. I will read part of it. I will refer to part of it and ask one of my colleagues to summarize so we will try to be careful with the time.

I have with me Charles Cooke, Deputy Assistant Secretary for Legislation, Bill Stormer, who is the Acting Director of the division that manages this program, and Al Alford, who is Assistant Commissioner for Legislation.

We appreciate this opportunity to appear before the committee to discuss the impact aid program and report on our progress in implementing the SAFA portion of Public Law 93-380.

As you know, this law has been revised substantially through the new language. The entitlement formulas and other methods of making payment are drastically changed. As a result, what was a complex law has become even more complex and confusing to both applicants and administrators.

The major implementation problem for 1975 relates to the question of equalization. This, Mr. Chairman, is the matter that the Senator from New Mexico was discussing.

As you know, a provision exists in section 5(d)(2) of Public Law 874 which prohibits States from taking impact aid payments into consideration when determining eligibility for or the amount of State funding.

Because of this prohibition school districts in some States received payments under the State aid program and under Public Law 874 which in some cases results in windfalls.

To counteract these adverse effects of this prohibition, Congress has added by means of Public Law 93-380 a means whereby this prohibition may, in effect, be waived in cases where States have a viable equilization program.

Under section 5(d)(3), a State is permitted to take into consideration SAFA payments to a school district in the determination of State aid under the State aid program designed to equalize expenditures among the local educational agencies.

The SAFA payments may be taken into account in determining relative resources or relative need for purposes of the State aid program but only, to use the statutory language, "in proportion to the share that local revenues covered under the State equalization program are of total local revenues."

In order to implement this amendment the Commissioner is required to promulgate regulations containing standards for determining which programs of State aid qualify for the exception.

Members of my staff have worked hard to develop these regulations from a number of alternative approaches.

We set forth our tentative approach to the problem in a so-called concept paper which was shared and discussed with representatives of affected State educational agencies, local educational agencies and other interested persons, as well as with interested congressional staff members.

We are now considering comments received in connection with drafting the actual notice of proposed rulemaking for clearance within the Office of Education and the Department.

Under our current thinking a State aid program would be evaluated under section 5(d)(3) in terms of a basic standard which would measure the degree of disparity in revenue or expenditure per pupil among local educational agencies in the State.

If such disparity was no greater than 20 percent then the program would be deemed to qualify for the exception and SAFA payments could be taken into account for the affected districts but only in the proportion allowed by the statute.

In the calculation of the disparity, allowance would be made for expenditures for children with special educational needs so as not to adversely affect a State aid program which took such needs into account in its distribution of State aid.

I might just say parenthetically that some State programs give weightings for handicapped students, for vocational students, and so on. Our formula, Mr. Chairman, would allow for that. It wouldn't penalize for what we think is a good program here.

If the program did not qualify under this so-called "disparity" test but the state could show that the application of that standard to the program was inequitable because of peculiar circumstances related to expenditures in that State, then the program might nevertheless qualify under a set of evaluative criteria which would take into account such matters as the degree of school revenues equalized, whether education expenditures were predominantly a function of school district wealth and the like. Provision of course would be made for administrative determinations and hearings.

In our reflection on this subject we have been guided by indications in the legislative history that the section 5(d)(3) exception was not to be "widely used" and that the Commissioner should make "very careful and deliberate determinations" in granting exemptions. We drew this from the hearing language of this committee.

In addition our views have been refined as a result of comments on our concept both from affected State and local educational agencies and congressional staff.

We will move as quickly as we can to place in the Federal Register a notice of proposed rulemaking which will permit all parties to react formally to our regulatory proposal.

At the conclusion of the rulemaking process we will be in a position to make determinations under section 5(d)(3), including determinations for those several States which were previously found out of compliance with section 5(d)(2).

A number of important changes are scheduled to go into effect in fiscal year 1976.

These include:

Creation of several subcategories of A children; exclusion from A and B categories children whose parents are employed outside the

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State of the school district. School districts would need to continue to survey and claim these children for possible eligibility under one of the hold-harmless clauses.

One change would count all children who reside on Indian lands in the A category regardless of the employment status of their parents.

Another change would provide for establishing of new subcategories for B children to provide varying local contribution rates for children who reside on Federal property only and those whose parents are employed in the same county as the same school district and those employed out of the county but in the same State and those in the uniformed services.

Another change would include the addition of a payment for handicapped children of parents in the uniformed services in both A and B categories equal to 1½ times the usual rate if a special program for their educational needs is being provided.

There would be provision of three tiers for making payments when appropriations are not sufficient to provide full entitlement.

There would be an authorization of payments for low-rent housing children in the first and third tiers but not in the second. Such payments must be used for programs and projects designed to meet the special educational needs of educationally deprived children from low-income families.

Another change is a modification and extension of assistance for decreases in Federal activities and new hold-harmless provisions, two of which began in fiscal 1975.

While we agree with some of these changes and in fact include them in our own bill we do anticipate major administrative problems with the majority of them.

At this time, Mr. Chairman, with your permission I would like to depart from my regular testimony and call on Mr. Stormer from our impact aid program to review at this time the complexities of these calculations under the new law.

You have a chart that is before you. The chart has impressed us with the intricacies of the tremendous task of making the calculations. I think it will also impress you and the members of the committee.

I am so convinced of the complexities that I believe that we actually need experts that are deeply involved in it to discuss it.

I would like to ask Mr. Bill Stormer at this time to discuss the overlay material that you have before you to give you a better concept of how complex these problems are growing.

Then I will continue with just a few more words on my testimony. Then we will be through, Mr. Chairman.

Chairman PERKINS. Go ahead.

Mr. STORMER. Mr. Chairman, I will try to use this overlay to illustrate the complexities of computing entitlement for a local educational agency.

I will refer you to the base chart which we have supplied. The upper half of the chart represents the A category pupils. The lower half represents the B category pupils. We have made an assumption of a uniform local contribution rate of $500. This is shown at the top of the chart.

In this illustration the school district would be entitled to the dollar amount times the number of children in each category or subcategory.

If a district has 25 percent or more of its average daily attendance in A category type pupils it is entitled to 100 percent of the local contribution rate for each subcategory A-type pupil. That is rather easy to compute and illustrate in this base chart that each of these youngsters would be entitled to $500 or some portion of it depending upon whether they were an A or a B or in one of the various subcategories.

To illustrate the manner in which payments may be made to school districts is even a harder task. The act calls for three levels or tiers of funding. The first level is at 25 percent for all categories of entitlement for each child.

At this point if you flip the chart back over it illustrates via the blackout that 25 percent can be paid for each of the various subcategories here.

If you flip page 1 over you are looking at the payments that could be provided under tier 2. In this regard tier 2 may be funded at varying percentages depending upon the authorization contained in the law itself.

But tier 2 may be funded only if every category pupil that is entitled to receive payment under tier 2 receives payment. If it is not funded in full it is not funded at all. Thus, only tier 1 funding may be accomplished.

If you look at an exception which is the bottom overlay you would note that we have a slight change in that if a district has 25 percent or more A-type pupils then the district is entitled to 100 percent entitlement for each of its A category pupils, even those which may be indicated down here on the fourth line as the A-civilian-type youngster living on Federal land and his parent is employed on Federal land, whereas by law it calls for a 90-percent entitlement, he would receive 100 percent, being in a heavily impacted district.

We do not illustrate tier 3 because the tier 3 authorization would say that in the event funds were available to fund tier 1 and tier 2, and tier 3 could not be funded in its entirety for all of the entitlement and each category would be funded in proportion to its unfunded entitlement and the amount of money that is left over.

I will deviate a little bit. One of the confusing situations that exist in this type of funding is that you can create an A youngster by a youngster living on low-rent housing property and his parent being in the uniformed services. There is a provision in the law that stipulates that low-rent housing may be funded in tier 1 and tier 3. But if you have an A category youngster living on low-rent housing and parent in the uniformed services he could be entitled to payment in tier 2. We have some problems identifying just how we treat this youngster in the payments under tier 2.

Does he get thrown out completely because he is associated with low-rent housing? Or do you pay that portion which is associated with the uniformed services? Or do you drop him down into the B category to be paid as uniformed services B?

These types of pupils can also confuse the situation by being of sufficient number that throws the district up into the heavily impacted status, having 25 percent or more A category youngsters.

I will leave the chart at this point and go back to the text.

The estimated requirements for regular entitlements in fiscal year 1976 and also payment tiers are attached at the back of the testimony in the table.

In order to estimate payment in tiers it is necessary to place all low-rent housing pupils in the B category even though we are certain that some qualify as A students because we believe that some uniformed service personnel and some employees who work on Federal property reside in low-rent housing, although this causes an inaccuracy in the table.

Showing estimates of entitlement it may be necessary to retain all low-rent housing pupils in the B category for both entitlement and payment purposes in order to monitor the funds.

Another complication is the tracking of the funds which will occur with the handicapped child of a uniformed services parent residing in low-rent housing or the handicapped child of a uniformed services parent residing on Indian lands.

The table reflects rough estimates especially of pupils in-county, out-of-county, out-of-State. We hope to refine some of the estimates soon by using newly created property certification automated system, perhaps as early as late March or April.

Amendments creating new subcategory A and B pupils present major administrative problems, especially with regard to our present automated payment system.

For example, while formerly two computations were necessary to compute entitlements for the A and B category children, now at least 21 separate computations must be made. This large number is essential in order to treat the subcategories differently, in the second or third payment tiers, identify amounts for low rent and handicapped pupils and determine amounts for use of the various hold-harmless provisions.

Formerly there was only one additional computation. That was for proration following the entitlement computation. Now there will be four, one for each of the tier payments and the total.

Moreover the present computer form which details the computation of entitlement, prorated entitlement and payment, and which is sent to the applicant along with his check, to Congress for notification and to the States undoubtedly will be expanded from one to two pages.

The computer can, of course, accomplish these computations without difficulty once it has been programed and tested for accuracy.

But this total process which includes the collection and verification of data, the processing of applications will make it difficult to pay local educational agencies on a timely basis.

Mr. BELL. Mr. Chairman, I will conclude my testimony. Then we will be ready for questions.

I will skip over that part of the testimony that Mr. Stormer just covered.

So, if you are following my written testimony, I am at the top of page 8.

There are four new hold-harmless provisions which guarantee minimum payment of 80 percent or in certain cases 90 percent where the Public Law 874 payment was greater than 10 percent of the previous year's current expenses and which will guarantee minimum payment of 90 percent of previous year's entitlement to school districts losing 10 percent or more federally connected children during fiscal year 1974 and fiscal year 1975 due to decrease or cessation of Federal activities affecting military installations announced after April 16, 1973.

They will also guarantee minimum payment of 90 percent of previous year's payment for B children if the number of out-of-county and out-of-State B children is at least 10 percent of total B children and will guarantee the difference between payment received from an appropriation shared with low-rent housing pupils and the payment that would have been received if the appropriation were not so shared.

The first two of these provisions are applicable in fiscal year 1975.

All of these provisions present problems. If the first hold-harmless was "designed to reduce the impact of changes in entitlements," as the conference report states, then it should not become effective until 1976 when the major changes occur.

Since it is scheduled to become operative in 1975 one might conclude that it was also designed as insurance against low levels of funding for A and B children.

For example an applicant who recevied a special payment in 1974 for a substantial decrease in federally connected children would be unlikely to remain eligible for another such payment in 1975.

In this case it is possible that the 1975 payment will be less than 80 or 90 percent of the 1974 payment.

Then such an applicant would benefit from the provision.

If the intention was to fund all such applications for several years on this special basis they could easily have been included in the second hold-harmless clause which presently relates only to military decreases and which can be funded from the regular appropriation. The first hold-harmless must be funded separately from the regular appropriation.

The requirement that estimates for two of the hold-harmless provisions be furnished within 15 days of a regular appropriation is unreasonable. It is impossible to predict the numerous changes in entitlements and then apply all of the hold-harmless provisions to each changed entitlement and to other hold-harmless provisions before all applications are initially processed.

Since final reports are not due until September 30 and cannot be fully processed until the end of the next fiscal year it is more reasonable to request estimates for the hold-harmless provisions at the end of the fist fiscal year following the fiscal year of entitlement.

Or estimates for about three-fourths of the school districts could be ready by the end of January following the close of the fiscal year.

However such action does not permit making funds available to an LEA, if required, in the year of application.

In addition to the administrative problems discussed above I think it would be useful to reiterate this administration's concern with the inequities in the impact aid program.

The following items are based upon the findings of the Battelle Memorial Institute Study of 5 years ago but unfortunately these conditions remain essentially unchanged and would be only slightly modified by the new provisions of Public Law 93–380.

In general, current impact aid payments result in unjustified payments to many school districts and thus constitute an inequitable use of Federal funds.

The major sources of impact aid "windfalls" which still prevail are:

Payments that far exceed the costs of the local government of educating Federal pupils.

Payments to districts that, even without the Federal assistance, are wealthy and well able to support their own schools from local sources with a lower tax effort than most districts in the State.

Payments based on nontaxability of Federal property where activity on that property generates taxes sufficient to defray the education costs of children of persons working on the property.

Double payments to districts that receive funds through in lieu of taxes payments or shared revenues and again through impact aid.

Double payments to the districts that receive funds from their State government on an equalization formula.

Higher per pupil payments to rich districts than the poor ones resulting from the methods used to calculate the rate of payment.

Payments based upon children who would likely be attending schools there even if the Federal Government had never come into the district.

Payments that do not reflect the economic stimulus that the Federal Government may cause in a community.

As a result of such overpayments, districts with a large percentage of federally connected students are characterized by lower pupil-teacher ratios, higher per pupil expenditures and lower tax rates than districts with less Federal impact or no impact at all.

Theoretically there should be some reduction in the payments to the wealthier districts, particularly in the Washington, D.C. area, as a result of new provisions giving no payment to out-of-State B pupils. But the operation of the variety of "hold-harmless" provisions including one directed specifically at that situation push any real reduction far into the future.

Facing this kind of inequity in a program which has continued to grow in appropriations, the administration proposes to simplify impact aid and focus its benefits on only those districts which can truly be said to suffer a Federal impact.

Our proposal would continue the pattern adopted in appropriations for the last several years of giving higher priority to A pupils by creating an eligibility based on a 100-percent payment for heavy impact A districts and 90 percent for other A's.

B pupils would be paid at 68 percent and B out-of-State pupils would not qualify, thus reducing payments to wealthy school districts.

No payments would be made for public housing pupils.

Moreover, to make certain that we make payments only where there is a substantial impact, we propose to deduct 5 percent of the district's previous year's current operating expenditures from its total eligibility and pay only the difference.

About 900 districts presently receive more than 5 percent of such expenses from Public Law 874 funds and thus would be eligible for payment in 1976.

Of the current districts receiving impact aid approximately 2,400 receive less than 2 percent of their total operating funds from that source.

In a period when Federal dollars are at a premium we believe that this program is a logical candidate to provide savings which are now necessary. But even without the fiscal constraint we feel the program must be brought in check.

In conclusion, Mr. Chairman, we believe that the new provisions of Public Law 874 which take effect in fiscal year 1976 are extremely difficult to administer.

We would also note that as a result of the handicapped and public housing provisions the Federal Government for the first time has a mandate to check on the utilization of impact aid funds at the local level. This eliminates one of the major advantages of these funds in the eyes of school administrators, their general purpose use.

We suspect these may be the first steps in the direction of a full categorical program which moves far away from the bill's original intent.

We believe that this program has now reached a critical point in terms of administrative complexity, inequities in application and lack of clarity of purpose.

Only a major revision of the program will suffice. We urge that you consider our proposal and proceed to develop a new law which will eliminate, or at least reduce, the legislative-executive battles which have prevailed in this area for the past quarter century.

I would like to say, Mr. Chairman, in reference to the Senator from New Mexico's point, that our current thinking also would exclude debt service so that matter that he brought up would not be a matter of debate if our current thinking is implemented.

Thank you, Mr. Chairman. My colleagues and I will be happy to answer questions.

Chairman PERKINS. Let me thank you, Mr. Commissioner, and the gentlemen from the Department who accompanied you here this morning.

In my judgment your proposed cutback won't get very far this Congress. That is just my personal knowledge.

We deliberately postponed the new ground that we plowed, the amendments, to make sure that we knew where we were going for fiscal 1976 for 1 year before they went into effect.

Are you in a position to give us a printout on the effect of those amendments that we enacted last year within the next couple of weeks or so for the record?

Mr. BELL. Mr. Stormer, would you——

Chariman PERKINS. That would affect the present ongoing districts throughout the country? Give us a printout, a complete printout on that.

Mr. BELL. Mr. Stormer, could you respond to that?

Chairman PERKINS. You can do that?

Mr. BELL. Yes, we will be able to do that.

Chairman PERKINS. That will be very helpful to the committee.

Your new proposal, Mr. Commissioner, is to cut out any impact payments which amout to less than 5 percent of the school district's budget.

This means, doesn't it, that aid to 3,500 of the 4,300 school districts receiving impact aid would be eliminated?

Am I correct?

Mr. BELL. Yes.

Chairman PERKINS. If that is correct, as you say it is, maybe you could send us some ideas on how to correct some of the problems in the present law.

I am very confident that your proposal will not stand up in this committee, and will not stand up in the House and the Senate, or anywhere else.

If you have other suggestions along that line we will be delighted to receive them from you.

It seems from your testimony that the cost of the new amendments to this second level of funding will be $750 million without any funds for the hold-harmless provisions.

Is that correct?

Mr. BELL. Approximately $608 million, Mr. Chairman.

Chairman PERKINS. If so, as you admit, did you use the latest available data to arrive at that cost?

Mr. BELL. Yes, we did. We used the best that we have. We would still be operating on estimates. But of course the program has a long history. So we think the estimates are fairly good.

Chairman PERKINS. Will the costs be higher when you receive later data or less?

Mr. BELL. Would you comment on that, Mr. Stormer?

Mr. STORMER. I would think the costs would be approximately the same, slightly higher.

Chairman PERKINS. Could you tell us, give us your best estimate of the cost of the hold-harmless provisions?

Mr. STORMER. I am not prepared to give that figure at the present time.

Chairman PERKINS. Will you get that for the record? Supply it for the record?

I notice in your budget estimate—I have your sheet before me here—for fiscal 1975 the allowance was the same as the $636,016,000 and for 1974 it was $593,416,000.

Am I correct in those figures?

Mr. BELL. The latter figure I believe we have $574,416,000, if I am following you. That is after a 5-percent reduction, Mr. Chairman.

Chairman PERKINS. I know there is some injustice in this program which we first authorized in 1949 and again in 1958, but I have witnessed over a period of years the tremendous good it has done throughout the country.

We have all these problems now of inadequacy of funding of all school programs at the local levels, and the Government, in my judgment, is just not in a position to drag the rug out from under these local education districts.

Some are wealthier than others and may be able to withstand the absorption. But to do so would not, in my judgment, hold up in the Congress.

I think that we need the most constructive suggestions that we can get from your Department because I do not anticipate the Congress, or this committee, being in a mood to cut back this program in view of the conditions of the local schools throughout the whole country.

You have proposed to spend only about $200 million, if I read you correctly, for the next year in the area of impact aid. Am I correct?

Mr. BELL. Approximately $256 million, Mr. Chairman.

Chairman PERKINS. I am sure you would agree with me that that proposal is a dead duck.

Mr. BELL. As far as its possibilities are concerned, I might point out, Mr. Chairman, for the record that there are 1,246 districts that get less than 1 percent of their total current expenditures out of impact aid.

There are another 1,142 that get less than 1 9/10 percent.

So a huge number of that total get a small amount of their total budgets in that regard, Mr. Chairman.

Mr. FORD. Will the chairman let me comment on that point?

Chairman PERKINS. I will turn it over to you.

Let me state that I have been most interested in the testimony and thank you for coming, all of you.

I want the other witnesses to know that I have another hearing to attend this morning.

There are some people from my area testifying today on black lung legislation which is being considered by Congressman Dent's subcommittee.

I will come back to this hearing as soon as possible, but in the meantime Congressman Ford will carry on here.

This is a program that all of us are tremendously interested in.

I don't think this is going to be a year in which we are going to permit a cutback in our education programs, a year in which they should be expanded.

Mr. FORD?

Mr. Quie, do you have a question?

Mr. QUIE. Thank you, Mr. Chairman.

I would like to go a little bit further, Commissioner Bell, to the bottom of page 2 of your statement where you say "If such disparity was no greater than 20 percent" then the State qualifies.

Is that going to be absolute? If a State has a disparity greater than 20 percent they are not going to be considered?

Mr. BELL. Yes, Mr. Quie. We have worked with experts on this, some highly respected statisticians.

I want to emphasize that our thinking is tentative. We want to strive to determine what the intent was of Congress. The comments I am making I want to couch in those terms.

So we are open and we will be responsive to what we get from this hearing and from other hearings on this.

But the first thing we would do is eliminate the far-out districts. Statisticians have told us that the top 5 percent and the bottom 5 percent in a list of districts listing them from the highest expenditure per pupil to the lowest include a number of school systems that for several reasons may be very extreme, expenditures particularly in a number of nonoperating districts in almost all of the States and then small rural districts that have enormously high costs in many instances and a few students.

The data that we have convinces us in our regulations that if we would eliminate this extreme top 5 and extreme bottom 5 percent then we could apply the 20 percent quite strictly.

The one provision that we are still wrestling with in the law has to do with a provision that we think is a good one in school equalization which recognizes effort and if a school district by a vote of the people wants to levy more than the required levy and have a richer program and if equalization continues on this basis in that instance they may not fall strictly within the mathematical calculation.

That is why we have provision in here that we would weigh such exceptions on their merit.

But our intent was to provide equalization. The trigger would be if the equalization didn't exceed 20 percent of expenditures.

I mention that point because it takes cognizance of what experts in school finance call power equalization. That is continual equalization that recognizes an effort of the school system to have a richer program and by levying additional levies.

In a poor district then such a prgram would get enough equalization so they can match a wealthy district if the local people want to make the same effort.

I don't know if I am coming across on that point. But that is the one exception to the 20 percent which by applying that principle would be in the realm of 20 percent if effort and equalization for effort were recognized.

Mr. QUIE. Let me see if I understand it then.

The initial 20 percent you look at the lack of disparity or disparity between the 5th percential and the 95th percentile?

Mr. BELL. That is right, sir.

Mr. QUIE. You recognize that there can be some peculiar situations at each end of the 5 percent.

Mr. BELL. Yes.

Mr. QUIE. And between the 95th and 5th percentile if a school district should by a vote of its own citizens go beyond that equalization program that was set by the State, then that would not be counted in the 20 percent?

Mr. BELL. It would not if—and this is a big if—if the State would continue to equalize so that a poor district that wanted to make the same effort as a wealthy district could continue to stay within 20 percent of the wealthy district through the equalization formula, that is the additional levy.

So actually we would stay within the bounds of the strict 20 percent rule.

Mr. QUIE. That would bother me because you can't equalize forever. You equalize to an adequate education.

Take for instance in Minnesota where we have the State equalization where 70 percent of the money comes from the State. It got a little higher. Then there was a levy limit placed on each school district. They are only allowed to go up to that amount in order that the equalization would work.

However when they hold election for the school board they also hold a bond issue. If they want to increase the tax level set by the State they are permitted to do it.

If I understand the law correctly that additional amount does not have to be equalized with another district who happens to vote for an increase as well.

Mr. BELL. Our view is that that would perpetuate inequities. There is very little incentive for a poor district to vote a tax levy if they would get a very insignificant amount of money for it.

That has been our position up to this point. I want to emphasize again that we are still open on this.

But it has been our position up to this point that we would like to see what the school finance experts call power equalization still apply.

The other alternative of course—we are still weighing this—is to hold to a strict 20 percent, period, which of course would be administratively more simple for us.

Mr. QUIE. It is still enough to get a successful vote to go above the limit anyway where you have an election for increasing your taxes and at the same time there is a school board election, that is tough enough.

Mr. BELL. Right.

Mr. QUIE. But if you then aren't able to secure the money that you voted but it has to be shared with other school districts then it seems to me you foreclose any school from increasing above the limit.

It seems to me if the State sets an equalization up to a certain amount they want all the school districts to achieve, I don't see anything wrong for a school district that happens to have a little bit more money, because the people have more wealth in that school district, to go beyond that if they want to.

Why stop at the State? Why not make every State equalize with the rest of the Nation?

Why stop at the Nation? Why not equalize everybody in the whole world and see if there are any people in outer space that ought to be equalized with?

Mr. BELL. In our view there is very little incentive to a poor district that may only raise $5 or $10 a child. There are such districts. There is little incentive for them to hold a tax levy election if there isn't State aid.

Now, it wouldn't be our intention to see the wealthy district on that level share their property tax moneys with the poor district.

We see that as a continued aid program applying the power equalization effect. Everything we can learn from the studies and the best recent literature on school finance would indicate that if there is an incentive for a district to make a greater effort the incentive ought to be worth it so by making that effort the poor can come within some distance of the wealthy.

I have had experience as a local school superintendent in three States. I have observed those with an election provision. There are just very few who care to make the additional effort.

Mr. QUIE. It seems to me in Minnesota we permit the poor to come up within some distance. They come up equal with the total program and very few have availed themselves of that one opportunity.

But if you go beyond that and require the poor to share everything with everyone else then I don't think we will ever achieve anything but mediocrity.

I welcome what has been written on education. But I just think we are going to end up with mediocrity and there won't be any lighthouse district, nobody venturing out into a more expensive program, because they have to equalize it with everyone else. Education is going to suffer because of that.

I know this is just with impact aid. But it is part of the whole pattern. We are trying to get equality of results instead of equality of opportunity.

Mr. BELL. I think I would say the fact that it is just impact aid, it expresses a philosophy and a point of view. It is a very significant move, notwithstanding the fact that it just relates to impact aid.

I agree that we need to have lighthouse districts. I don't think we serve education when we level them all down to the same level.

It is because of that that we talk about the 20-percent provision. It would be my argument that a wealthy district or another district that had a high commitment to education and wanted to make a greater effort, that if they can go 20 percent above the others then that gives them an enormous leverage in a thousand-dollar-student level of support. That would give them an extra $200 per child, which I think gives them a lot of money to be lighthouse systems.

Mr. QUIE. May I interrupt you? I may be misunderstanding. The differential that you have, the 20 percent, if it is like we talk on redistricting that means if you are 10 percent above the median and 10 percent below that means they can take 20 percent above the poorest and they are only allowed 10 percent above the median. Or are you talking about 20 percent above and 20 percent below, making it 40 percent?

Mr. BELL. No; that would just be a 20-percent range

Mr. QUIE. Does that mean he is only allowed to go 10 percent over the median?

Mr. BELL. There would still be the opportunity for districts that wanted to make the additional effort, to have 20 percent more money by additional effort, more effort than the others.

Mr. QUIE. 20 percent from the other extreme.

Mr. BELL. Yes.

Mr. QUIE. From the average?

Mr. BELL. No. Over the total range of the 5th to the 95th percentile.

Mr. FORD. Will the gentleman yield?

Mr. QUIE. I yield.

Mr. FORD. Commissioner, I am confused by the answer you have just given to Mr. Quie.

Looking at page 2 of your statement, I think it has caught everybody's attention because it seems to fly in the face of what our intention was in putting this into law.

You say "If such disparity was no greater than 20 percent then the program would be deemed to qualify for the exception and SAFA payments could be taken into account for the affected districts but only in the proportion allowed by the statute" and also "Under our current thinking a State aid program would be evaluated under section 5(d)(3) in terms of a basic standard which would measure the degree of disparity in revenue or expenditure per pupil among local educational agencies in the State."

That seems to be saying that if a state is not expending 20 percent more then they automatically qualify.

Mr. BELL. Yes; Mr. Ford. The thing that my testimony failed to say is that we would first of all take out the two extreme 5 percents, the top 5 percent and the bottom 5 percent.

The formula that we are now talking about, let me emphasize again, this is to avoid the great statistical swings that we found by looking at the data, we are still open on this.

In calculating who would qualify for the impact aid to fall into the state coffers we would take out the top 5-percent expenditure districts and the bottom 5 percent in expenditures.

Then for the rest of them our test for disparity would be that in the rest of them there would be no greater range than 20 percent in the current expenditures between the highest and the lowest after removing those.

Mr. FORD. I don't think your top 5 or bottom 5 helps any. It exacerbates the situation in those States that have a single large city. In California, Los Angeles, you count that as one district. If you take 5 percent you would find all the big cities in that State. You would have more than half the kids in your 5 percent. You aren't counting 5 percent of the children who are receiving education on a funding level. You are counting 5 percent of the districts in which those children attend school.

Without looking at it, my hunch is that that would be just a terrible disparity in a State such as mine where a third of the children in school are in one corner of the State, and all 5 percent of the districts would be in the area.

Mr. BELL. We have found that the big urban districts are not the ones that are the high expenditures. I think if you looked at the data and if you took a 20-percent range without taking these far extremes out you could see what a problem it is.

There are some small districts that justifiably have to spend more because of their size. We have talked to the most authoritative sources we can on this. We have consulted with the best studies we can reach.

We seriously believe that by making this calculation if we don't eliminate those enormous extremes that we will run into difficulties.

Even by doing that our estimate now is that maybe three or four States may qualify.

So we are applying what we think was the intent of the Congress, that there be a high standard. Maybe another member here of my staff could discuss this 5 percent. Maybe I am not doing a good job in describing this to you. Maybe he could explain the necessity for it.

Mr. FORD. The basic problem that arises with your statement is that you would adopt a standard and say, "This is what equalization is."

I am sorry that Mr. Meeds is not here because this is his amendment. He and I worked on this at great length, both here in the committee and in conference committee.

We finally ended up putting language in the report which we hoped would head off this kind of formula, saying that you would examine on a case-by-case basis and develop criteria as you went along that would enable you as a Commissioner to determine that in fact that State was equalizing its effort.

We didn't care whether it was 5 or 10 percent or what it was. But it had to be a genuine equalization.

We contemplated at the time that this legislation was written that it wouldn't be more than two or three States as they are now distributing the money that have been qualified.

The rationale for putting this provision in there was that it was a laudable public purpose to encourage other States to accelerate their efforts to apply Serrano versus Priest by equalizing.

Again, that is not a burden that the impact aid should bear by itself. But this is the first place that we did it.

What you are suggesting here is trying to look at the whole country and come up with an advance rule of equalization.

I just would like to see the rationale or a person explain how they believe, with the disparity we have in school distribution formulas in the 50 States, that could be done.

We could not, working months with this, get anybody from your Department, from any of the educational agencies, any of the members themselves, to come up with an idea of how you would do it.

So we really threw to you a very subjective type of job. It looks to me like you tried to make it objective, not subjective, at the expense of carrying out the intent.

Mr. BELL. We read the statute as requiring a standard and that it not be done on a judgmental case-by-case basis without standards and without a definite definition of what we mean by "equalization."

We have spent a lot of time on this. We have talked to a large number of staff members on the hill and a lot of time out in the field.

I would suggest, Mr. Ford, that to do this on a subjective basis without any standard means of application of it would be extremely difficult.

We think we have to start with a definition of what "equalization" is.

Mr. FORD. I think you are correct that there would be a legal question, I believe, if we didn't start out with a basic standard or parameters within which you were going to make your decision.

But if you go back to the report of the conferees, you will find that having set out these parameters within which you will operate and make your decision, we said at page 163 of that report:

> It is the intention of the conferees that the provision concerning the proportion of funds to be equalized must be implemented on a case-by-case basis, school district by school district, and not on the basis of a general rule to be applied through a State.

That again was because of the deep concern we had about the concentrations of large numbers of people in our city school districts versus rural areas in the State.

We did not want you to say that a man standing with a foot in a bucket of water and a foot on a hot stove was freezing and burning at the same time or that on the average he was comfortable.

That is what happens when you go State by State and have a big city like Detroit or Los Angeles inside of that State.

Mr. BELL. Mr. Ford, I am informed by my colleagues here that the part you just quoted is the part that is to apply after this is done and not the means of determining who qualifies or who doesn't.

I want to point out again, based on our tentative data, that there would only be three or at the very most four States who qualified. We thought that was the intent.

Our efforts to try to learn the intent of the Congress led us to feel that we had a good expression of the intent.

I should say, sir, that what I am hearing you say——

Mr. FORD. Let me defer to you in this way, Mr. Commissioner. I want to work with you, as members of my committee do.

You mentioned that you have some data that you used to develop the criteria that would indicate the wisdom of stopping at the point where you stop. We don't have that available. Perhaps if you could make that available to us to look at before we finish considering this matter we would be thinking with the same facts before us.

Mr. BELL. The thing I have to be careful about is, I don't want to convey the impression here that we have made up our mind and we are totally committed to a procedure. It is far from that.

We are approaching this with a teachable attitude in that regard.

I would like to call on Charlie Cooke to make a point.

Mr. COOKE. Mr. Ford, if I might make one point, as far as I know there are no urban aeras, large urban areas, in any State that come under either the 5-percent limitation, top or bottom. They are all in that 90 percent that would be considered within the disparity framework.

I don't think what you are concerned about, if I understand your concern, will be affected by this 20-percent disparity issue.

The problem is as I understand the law I don't think we cannot have a national standard. We have to have something to work from.

I think also, as the Commissioner has said earlier, we do have a waiver provision in there which when they come close to a 20 percent they will be seriously considered as qualifying.

But again we have to watch out because the intent of Congress also seems to be clear that they want a very narrow strict definition for what equalization is.

Mr. FORD. You may be able to solve our problem and we can examine the data.

At this time I will call on Mrs. Chisholm.

Mrs. CHISHOLM. Thank you, Mr. Chairman.

Mr. Commissioner, since you propose revising the impact aid legislation in such a way that it would eliminate approximately 3,600 of the districts that are now eligible for impact aid funds, and you then go further and reduce the funding level to approximately two-thirds of the current level, what do you propose to do with all the rest of the funds?

Mr. BELL. You mean the funds remaining?

Mrs. CHISHOLM. Yes.

Mr. BELL. We would propose that the Congress wouldn't appropriate that amount of money in view of the size of the deficit that is anticipated and the need for us to be economizing and cutting down on Federal expenditures.

This would be an expenditure that we could avoid making if the administration's recommendations were accepted.

Mrs. CHISHOLM. Pursuing that a little bit further, for example, the city of New York is eligible for only approximately $4 million in impact aid.

Under your proposal the city of New York would get nothing. Is that correct?

Mr. BELL. Yes.

Mrs. CHISHOLM. We do have approximately 71,000 public housing students living on tax-exempt property at a loss of more than $60 million a year to the city.

Is your plan equitable in view of the number of public housing children we have in New York?

Mr. BELL. The position that the administration has taken has not been, as I am sure you know, to fund the public housing programs. The calculation that the administration has made is that the reason for this is that it is not justified on the basis of equity.

I might ask Mr. Stormer to discuss further the public housing, the position on this, if you would.

Mr. STORMER. Let me answer your first question with respect to whether New York would qualify under the proposal. The answer would be, "No." It would not.

As I understand your second question the children residing on low-rent housing would under the current authorization for 1976 would be taken care of in the first tier of funding, 25 percent of whatever their entitlement happened to be. They would not be included in the second tier funding at all; only if moneys were available to fund beyond the second tier would the low-rent housing child come back into play for receiving some assistance.

Mr. BELL. Under the administration's proposal if this didn't result in losing 5 percent of their revenue they still would not qualify.

Mrs. CHISHOLM. I realize that impact aid is a very complicated and complex subject. But would one of you explain to me the equitability of this formula when you take into consideration the fact that Prince Georges County and Montgomery County and other very wealthy counties can acquire so much money for B category students and when, on the other hand, you have districts in this country where persons are living on tax-exempt property? This pertains particularly to the large cities which do not get any kind of tax benefits.

I just can't see the justification for the formula the way you are proposing it.

Mr. BELL. We have long felt that the formula was inequitable. I think my testimony pointed that out. Certainly the Battelle Institute study pointed that out.

Mrs. CHISHOLM. Thank you.

Do you wish to elaborate?

Mr. ALFORD. Mrs. Chisholm, I was going to comment that the normal arguments in the case of public housing have been that public housing is a local operation. The Federal Government does provide approximately two-thirds, I think, of the initial cost of building public housing. It is basically operated on the rental income from those units.

But it was always viewed as a local activity and therefore not a Federal responsibility in the sense of the Federal impact aid program.

There are various situations around the country in the case of tax-exempt property which are not Federal.

For instance the State of Nevada has, or at least had a few years ago, its own impact aid law which provides essentially for the Carson City area. That is a State impact and a State exemption of property and State activities. So we view this as local.

Mrs. CHISHOLM. Thank you.

Mr. FORD. Are you finished?

Mrs. CHISHOLM. Yes, I am.

Mr. FORD. Commissioner, your prepared testimony and response indicates you are very much impressed by the Battelle Report. It is one of the famous reports that everybody quotes like the Bible to support their own view.

I have heard views for and against this program year in and year out.

I would observe that the Battelle Report also says that the Federal Government should provide assistance to school districts in federally impacted areas and should continue to.

The administration proposal flies in the face of the Battelle Report. Any proposal that excludes 3,600 out of 4,500 school districts is clearly not continuing a program of school assistance to federally impacted areas.

We also found that Battelle said that no formula which would be perfectly equitable could be devised.

I want to say "amen" to that because we have been trying to utilize it.

However, as imperfect as the formula was, it is obviously and on its face a fairer formula than yours because there just is no way that you can suggest that those numbers you propose are simply an adjustment of the formula on an equitable basis, because as Mrs. Chisholm has observed, she wants to know what you are going to do with all the money that is left over.

Battelle also came to the conclusion that the basic feature, when you get away from the arguments about very finite specifics of the current program, describing it as they were examining it at that time, there is no way in which you can take the sum of the conclusions of the Battelle Report and fairly interpret that to indicate that the Federal impact aid program has outlived its usefulness or should be truncated or terminated.

With all due respect, I can't help but observe that the proposal of the administration is making now.

I might observe that over the years, starting in with the Johnson administration, we have had absorption approaches on how to cut down the money.

We have had very little from this administration in the way of actual specific recommendations to change the formula and meet the complaints of inequity, windfall, and so on.

We have had a number of very dramatic suggestions in absorption that would not have the magnitude of the current proposal but the same kind of effect.

Back in the 90th Congress the first proposal that had my name on it as a member of this committee started out dealing with disaster aid for nonpublic institutions. It ended up being a vehicle for amendment.

The city of Detroit requested to change the 6-percent qualifying factor to 3 percent. Why didn't we do that? Because we discovered that we had large cities in this country that had thousands of Federal impact children for which they were receiving no compensation solely because when you take 20,000 impact kids and put them in a school district the size of Detroit or New York, on a percentage basis they don't look like much. But they still cost money, to educate those 20,000.

We find it very inconsistent to suggest that educating 20,000 or 30,000 or 40,000 Government children in New York was not as much a responsibility as educating 5,000 children in a school district with, say, 120,000 children in it.

For that reason we made all the school districts qualify if they had 3 percent or at least 400 pupils. So that we again took care of the situation.

In a very small district it is possible that those go too far. But that was rejected with the idea of not even using that figure and coming up with absorption. We rejected it because, in attempting to

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deal with one inequity, we might replace it with something that is even more grossly unfair in equity.

You could not justify a program that identifies a particular type of child as a burden to a school system and entitled to Federal consideration and then contend that because large numbers of them are in a particular district they are no longer a problem in that district.

It is particularly difficult, of course, to deal with when you realize that the way the formula is the big cities have already been discriminated against in distribution because the level of payment to them is based on averages which they tend to lead.

I heard from you something a few moments ago that startled me when you suggested that the high-expenditure districts were outside the urban areas. That is just not the case at all.

I think we will find that the cost of education has gone up faster in the big cities and they tend to lead in cost increases.

I am not talking about whether that in turn produces any better quality. But the cost has nevertheless been there and every year that that happens—the way this formula and other formulas unfortunately work—that city as a part of that state continues to be the victim of a degree of unfairness.

I am not asking you to try to justify the 5 percent. I think the chairman has already indicated to you that you shouldn't be very optimistic that Congress is going to buy it.

I am suggesting that if we are going to clean up this formula we ought to get off of that and put that over here as one of the least likely things that Congress would be willing to do and find out how we can effect a formula more fair.

Mr. BELL. I certainly accept that, Mr. Ford. We will work as closely with you and your staff as we can on this.

I really feel that we have a big challenge to look at the equity and inequity matter in the impact aid. I think that we can still improve on the program notwithstanding the immediate past amendments that have been made.

We will be most glad to do that and to do the staff work and to run the data and do what other things that your staff needs us to do in that regard.

We will attempt to be responsive to a serious study to look at the inequities, the matters you have talked about; the big-city schools I am aware of. I know that is where our great educational problems are these days.

So, to summarize, we will be most happy to work with you. We are not on any obsession, where all we want to talk about or work on is the administration proposals.

We have the other responsibility, which is to provide assistance and work with this committee as you desire.

Mr. FORD. Thank you, Mr. Commissioner.

Now, unfortunately, at the time there was a long drawnout conference we were trying to assess the impact of changes that were being worked back and forth and compromises that were arrived at piece by piece.

We were working with something less than perfect data. We had a couple of people over at the Library of Congress working all night long to try to get out of the computers what they could.

The Office of Education, unfortunately, was not very cooperative at this stage and gave us practically no help at all in trying to determine what would happen.

Ever since then I know personally that the members of the committee like Mrs. Mink and Mr. Meeds have been asking the school superintendents across the country to examine this thing and tell us.

As the chairman pointed out we deliberately set off the effectiveness for at least 1 year so we would have a chance to see what was going to happen.

I understand that your people now have been working on figures. The administrators have been working on figures. Our staff has been trying to corrolate them.

We discovered that the administrators have done a very thorough job of surveying, by categories and piece by piece, just about every district in the country that has been receiving impact aid.

You have your estimates based on the information that is in your computer. But, unfortunately, we have a disparity of several hundred million dollars in figures because your people are working on 1974 figures and they are working on 1975. We are going to hear from those people.

But I wonder if we couldn't engage in the idea of having the staff on both sides of the aisle here on the committee together with your staff and the so-called experts from the administrators get their heads together after we finish here today so that, in a short time, using both of you and having some agreement on what data is relevant, we could make comparisons for 1974 and 1975.

Whatever happens I don't believe you will get Congress to move one way or the other on this unless they have some idea what this is we are talking about.

Mr. BELL. We will be happy to do that and look forward to doing so.

Mr. FORD. Mr. Quie?

Mr. QUIE. No questions.

Mr. FORD. Mr. Meeds? I didn't see you.

Mr. MEEDS. Thank you, Mr. Chairman.

Mr. Commissioner, please excuse me for running from committee to committee. Unfortunately many important things are happening this morning, including your own testimony here on the subject matter which a number of us are interested in.

I would be interested to discuss the utilization formula with you. I was here when you testified to the effect that your current thinking excludes debt service as local resources.

Mr. BELL. That is right, sir.

Mr. MEEDS. Would you be kind enough to indicate to me the rationale for that?

Mr. BELL. Yes. We feel that Public Law 874 is for the current expense support of educating children and that 815 is the capital outlay part of the program.

We have also checked with various Committee staff members in trying to determine what was legislative intent.

It was our information, Mr. Meeds, that this was the intent of Congress, that we do that.

Mr. MEEDS. Who gave you that? If I can interrupt, who gave you that information?

Mr. BELL. I would ask Mr. Alford. He was involved in contacting various persons.

Mr. ALFORD. Mr. Meeds, I dont' think—you know, we can't identify any particular individual. We had a number of discussions with staff. Staff differ on this. So the intent of Congress is not that clear.

The judgment we drew from this is that it was better to stick with the current expenditure concept.

Mr. MEEDS. You are aware, are you not, that I was the person who proposed the amendment?

Mr. ALFORD. Your amendment?

Mr. MEEDS. On equalization. That is what we are talking about, isn't it?

Mr. ALFORD. Well, yes.

Mr. MEEDS. Did you ever check with me or my staff on what our intent was?

Mr. ALFORD. Mrs. Wright has been in on meetings that we held. I think we have received your views.

Mr. MEEDS. Did you ever hear me or any of my staff indicate that we didn't want to see debt service included as a local resource?

Mr. ALFORD. No; I can't say we did.

Mr. MEEDS. I am sure you didn't. Because it is my feeling—and you may dissuade me, if you can—that debt service ought to be counted.

If we were providing funds under Public Law 815 and schools were actually being built under Public Law 815 I might tend to agree with you. But we all know they are not.

Let me give you the perfect example of what I mean. Oak Harbor, Wash., a heavily impacted area in my own district, built a high school recently. A great share of the funding from that came from a special levy at the local level. Some money was provided by the State of Washington. None of the funds were provided by Public Law 815. That school district is 33-percent A impacted and probably 80-percent A and B impacted.

I see no reason in the world why those people ought not to be able to count as a local resource the funds which they by special levy raised for that high school.

Can you give me any good rationale why they shouldn't be able to?

Mr. ALFORD. I don't know, Mr. Meeds, if we can. This is a very serious problem, as you understand. But you can get opposite illustrations which will skew the equalization another way. I think we would not say that it is wrong to include debt service. We are not arguing that at all because you can make a case for it.

I think what we were using is simply our best judgment at least at this point.

By the way, the Commissioner has indicated that we have not locked this into concrete. We are still discussing it. But this is what our best judgment has been that it would be better to exclude debt service.

There is no clarity in this whole area as far as congressional intent was concerned. I dont' think there was anything in writing in the committee reports or in the colloquies on the floor.

So what we have had to do is sort of explore the whole situation as best we can.

We are trying to come up with an effort at equalization which we can administer which would seem to be the intent of the law.

I think all we can say is at this point it is our best judgment that it is better not to include the debt service.

But this doesn't mean that it is wrong, that you can't make a case for it.

Mr. MEEDS. Can you make a case against it?

Mr. ALFORD. I don't know just off the top of my head. I haven't been working as much with this as some of the others.

Mr. MEEDS. Is there someone who has been?

Mr. ALFORD. Anybody ready to——

Mr. MEEDS. I will be glad to listen to anybody make a case against it.

Mr. ALFORD. I have one illustration.

Mr. BELL. This is Mr. Sky, who is General Counsel for the Office of Education.

Mr. SKY. Congressman, I would say that we have looked at the legislative history in determining what was to be included in terms of local revenues. It talks about "total local revenues." We couldn't find anything specific in the legislative history that went one way or the other with respect to the question of whether you include debt service or capital outlay for total local revenues.

The argument has been made—and quite strongly by certain States—and indeed it was made here this morning—that Public Law 874 is a current expenditures program. It is an M. & O. program.

So one could draw the conclusion that when Congress used the words "expenditures," "revenues," in the context of Public Law 874, which is an M. & O. program, that they were talking about current expenditures. That seemed to be some of the thinking we got this morning.

There is not anything that clear cut in the legislative history.

Mr. FORD. Will the gentleman yield to me?

Mr. MEEDS. Yes.

Mr. FORD. The problem is you are stating two things at one time. You are saying that you looked at the law and found that we said you should take into account total local revenues and then you turn around and say that what you are really going to count is total local expenditures because the distinction you are making is not how the money is collected or how much it is but whether it is spent for debt service or something else.

What Mr. Meeds and I had in mind when we were negotiating the settlement on this matter was that the local effort to collect taxes should be taken into account. It was revenue from local sources we were talking about, without regard to how it was spent.

There was no equalization formula that I am aware of in any State that makes a distinction on expenditures when it determines that equalization is for the purpose of equalizing revenue. It is revenue they are trying to equalize.

I can understand how there might be at the office in SAFA a mind set about Public Law 815 and its construction and Public Law 874 and its operation.

But out in the States, and particularly in the Midwest, you will find that the bulk of local revenue is expended in fact for capital improve-

ments and the bulk of administrative costs and operating costs come from State sources.

So you are going to say to the local units of government in these States that the principal use to which they put locally collected taxes cannot be credited to them. We didn't mean expenditures. We meant revenues.

Mr. MEEDS. The gentleman has put his finger precisely on the issue when we, as he puts it, negotiated this.

Let me say at the outset that I am not surprised the States are in here testifying that it ought not to be counted. Obviously they would be testifying that it ought not to be counted because it would allow them to deduct more in their equalization formulas. So I am not surprised at all about that.

But it was not our intent in negotiating this in any way to jeopardize people at the local level when they were making efforts to raise funds at the local level.

What you are doing if you do not allow them to include as a local resource funds raised for capital expenditures is in effect punishing them.

So the record is clear on this issue. I as the author of this legislation expect that funds raised for expenditures at the local level be counted as a local resource in calculating and in fact writing this equalization formula.

I guess that is about as clear as I can put it.

Mr. QUIE. Would the gentleman yield?

Mr MEEDS. Yes; I would be happy to yield to the gentleman from Minnesota.

Mr. QUIE. The thing that strikes me in this whole conversation is that if the other States handle local expenses like they are in Minnesota, the debt service is separate on a local budgeting item and current expenditures are separate.

As you have indicated, when the State deals with equalization it deals with equalization on a current expenditure basis rather than having the debt service involved.

If you bring the debt service into this whole question of equalization and whether this money should be included or not, it makes a difference in what kind of a building local school districts put up. Whether a school district has gold-plated banisters or not doesn't seem to me to make any difference in the quality of education for the child.

If you go to equalize all your expenditures, even the cost of the building, then I think we are going way beyond what we anticipated.

What we are trying to do here is encourage in each State that every child be given an equal opportunity with equal expenditures, at least up to a State level.

But if you go into using debt service then I think this throws it off. I think there could be an argument made, Lloyd, why we would not want to include the debt service expenses.

Mr. BELL. Mr. Quie, a fast-growing district will have a lot of debt service expenditures because they have a lot of buildings planned. A district that is declining in enrollment, one which is quite stable, won't.

I don't know a formula that can mix the two in any experience I have had on the State and local level.

Looking at it across the Nation, I just haven't seen this. We were instructed in the legislation to consult extensively with local and State officials and this we have done.

I would say, Mr. Meeds, that doesn't justify us in any way ignoring or not giving full consideration to the legislative intent.

The point of view almost unanimous with those we conferred with is that we ought not to include capital expenditures and debt service in this consideration.

Mr. MEEDS. Mr. Commissioner, let me interrupt.

I don't doubt that that is the point of view of all the State officials to whom you have referred.

But are you also telling me that that is the point of view of the majority of the local school districts with which you have conferred?

Mr. BELL. Knowing the number of districts that there are, we haven't had as good a sampling there as we have had with the States.

Historically, we work more closely with the States. So I don't think I can say that, Mr. Meeds.

Mr. MEEDS. Have you had any local school district which was in favor of not including as a total effort capital expenditures?

Mr. BELL. Would you respond to that, Mr. Stormer?

Mr. STORMER. I don't think you could find a local district that said that. You are talking about the proportionality. Local school districts would be in favor of incorporating debt service and capital——

Mr. MEEDS. And all States would oppose it.

Mr. STORMER. I think you would find that.

Mr. MEEDS. Al, in response to your question or statement, I see no problem at all in mixing debt service, if you want to call it that, and current expenditures for the purpose of determining the local effort to provide funding for their own schools.

If they decide that they want to spend more money on capital expenditure proportionately than they do on current expenditures I think you would agree that that is a local decision and I understood you to pretty much support——

Mr. QUIE. Would you yield, Lloyd?

Mr. MEEDS. Certainly.

Mr. QUIE. In the law it speaks of a State that has in effect a program for free public education. This is designed to equalize expenditures for free public education among the local education agencies in the State. Then it goes on to speak about that.

I assume that we are not speaking of debt reduction for capital expenditures because States aren't involved in equalizing capital expenditures. They are trying to equalize current expenditures. We would have written this differently if we had meant it then only to apply to States who included both because I don't know of any States that do.

Mr. MEEDS. That equalize capital expenditures? The State of Washington makes an attempt at it.

Mr. FORD. So does Michigan.

Mr. QUIE. A few States assist local school districts. But to equalize, I don't believe they do.

Mr. BELL. Where they do they do it separately.

I guess the only State with full equalization would be Maryland.

Mr. FORD. Mr. Commissioner, what the court said in *Serrano* v. *Priest* and what others have said is that equalization was the total dollars spent in the education of a child.

The tradition in developing full equalization formulas for school distribution at the legislative level has been to try to equalize that district that had a low tax base and a relatively high tax rate against the one with a good tax base and a relatively low tax rate.

So they were distributing money, using the State's money to offset that disparity. The idea of trying to equalize is not something that was discovered in California in *Serrano* v. *Priest*.

But the traditional way in which that is done and there are only three States, as we have heard here, that are doing a *Serrano* v. *Priest* test, the bulk of the States are still using equalization.

The same section of the law that Mr. Quie was reading from, paragraph B, we understand the terms "State aid and equalized expenditures as used in this subsection shall be defined by the Commissioner by regulation, after consultation with State and local educational agencies affected by this subsection."

It was our clear intent that any local school district that was in any State that even looked by your figures like it was going to come close to qualifying ought to be put on notice as given an opportunity to comment. So you shouldn't do this on the basis of three or four Serrano compliance States that you would not qualify. But you should be doing it on the basis of a much broader representation. You are charged by statute to consult with local people for that very reason that we get to this kind of disagreement.

Mr. BELL. We have also consulted with local districts. Proportionately, since there are 16,000 of them, we don't have the kind of proportion sampling that we have with the States.

But I would point out that we have more opportunity for that after our proposed rulemaking. There will be additional opportunity for the local districts to express themselves.

Mr. FORD. When would you think these proposed rules would go into the Federal Register?

Mr. BELL. I would say that they would be in sometime in April, hopefully before the 15th.

Mr. FORD. That means that if you had any substantial discussion, any exchange at all, we couldn't expect you to finalize this before June, could we?

Mr. BELL. That is essentially correct.

Mr. FORD. So in all probability we are going to finish up this fiscal year at this trigger point for all these changes before you are able to finalize the rules for the change.

Mr. BELL. That is right, Mr. Ford.

Mr. FORD. Which will leave us in a position of wondering whether, if we finalize it, we are going to agree with the consequences of our act and it is too late for us to do anything about it.

Mr. BELL. The difficulty that the Commissioner faces is the numerous points of view on this. I think it is highlighted by the exchange between Mr. Quie and Mr. Meeds.

As we pursue this elusive thing called legislative intent specifically on this matter we find it extremely difficult over on the Senate side to talk to them.

I would just say to you, sir, that you have given the Commissioner a tough one and regardless of how I come down on this there are going to be some unhappy states. There will be some unhappy school districts. And there are going to be some Members of Congress who are going to disagree with me and I think strongly so because there is no way to put this one together, without I guess at some point after I have gotten all the advice I can—the way the law is written I have got to make a decision that the law charges me to make. Ultimately it will be the Congressmen overturning that, which I recognize.

Mr. MEEDS. If I may, Mr. Chairman, Mr. Commissioner, the reason I worked with people to work out this formula for allowing the impact aid funds to be counted in equalization formulas as a local resource was that I felt the law prior to that time, prior to this, was an impediment to States adopting equalization formulas.

I did not want to be a part of an impediment to that since I firmly believe that States should equalize, really equalize. It shouldn't be a charade, as so many of them are.

But if you interpret it the way you indicated earlier, your current thinking, excluding debt service as a local resource, then it will have exactly the opposite effect. It would be working as an impediment to equalizing in other areas, in, for instance, the area of capital construction. Perhaps we ought to be trying to induce them to do this. I think that is a good idea.

So you are turning my rationale right against me, if you interpret it that way.

I want the record to clearly show that I am dismayed by it.

I won't spend any more time on that.

Mr. QUIE. Would you yield, Lloyd?

Mr. MEEDS. Yes.

Mr. QUIE. At that one point when you asked me a question whether the local schools agreed, you said local school agencies wouldn't agree to anything that would make 5(d)(3) go into effect and if you have to include capital expenditures it would then prevent 5(d)(3) from going into effect and therefore they could continue to get that additional amount of money.

Mr. MEEDS. I think it is safe to say the States and local school districts will be on exactly opposite ends of this.

Mr. QUIE. The Commissioner has to realize that we passed this for a purpose. He has got to talk with them. But he doesn't take one side or the other. He finds out from them all the information possible and then cranks that into his determination.

Mr. MEEDS. As the Commissioner pointed out, he has got a tough decision to make. And exactly all the local districts are on one side and all the States are on the other. He is caught in between. I don't envy his position.

But I thought he ought to know what this one Member's thinking was who was very much involved in writing this.

Mr. BELL. I would like to say in response to that that I know we are on the spot on this.

I would also like to say that I am willing to take the heat and I am not about to get out of the kitchen with respect to it.

I know that all of us are inclined to have a point of view influenced by where we sit. In that regard the locals are going to have an entirely different point of view from the States.

I am certainly getting a lot of advice on this. We will continue to do so, I am sure.

Mr. FORD. Mr. Commissioner, it is absolutely true. It depends on where you sit. But where we sit there are 7,000 school districts out there and only 50 States.

Mr. MEEDS. Mr. Commissioner, I would like to pursue the guidelines that you are working on now with regard to whether a State, in fact, qualifies with its equalization formula.

My understanding is that initially your people did talk to us about this. Initially you were thinking about not allowing a State to qualify when there was more than a 20-percent difference between their highest and lowest districts and that you are now considering eliminating the top 5 percent and the bottom 5 percent and then working the 20 percent.

I certainly understand the rationale for eliminating the top 5 percent. Could you tell me the rationale for elimination of the bottom 5 percent?

Mr. BELL. Yes. We think that there will be unrepresentative low-cost districts on the bottom 5 percent just as there will be on the top 5 percent.

This tends to distort the data. You have to look at the data to realize the necessity for these two 5 percents. We've a number of nonoperating districts, school districts that exist in fact but they don't operate and their children go to other districts. That in and of itself is a considerable distortion in connection to these expenditures.

So because of this we feel that the very low districts and the extremely high districts will distort the data in a way that some of them that pay tuition and do other things will cause quite far-ranging variety in the data and will keep us from getting at what are truly representative expenditures on both extremes.

If we include that far-ranging bottom 5 percent for example we will be getting that which is not going to be helpful in arriving at what is going to be fair and equitable.

Indeed we think it will considerably distort. I think this is a hard concept to convey. I think we need a chance to confer with some of your staff on this to do a better job of defending than this.

I would emphasize again, in concluding this response, that we are willing of course to consider this further. But at this point we think that this is going to be quite an important feature in the determination that we make.

Mr. MEEDS. I am very much in favor of what you have done here. I think it is very realistic and certainly comports with my intent, again, that States really be serious about equalizing if they are going to get these funds. I think this really separates the men from the boys right away. I think we ought to do this.

I was concerned about the lower 5 percent. I can see now when you say there are school districts not operating, this certainly would distort the statistics, and the information you ultimately came up with.

So I think I am inclined to agree with that now.

By this type of initial or opening formula, how many States in your present belief will qualify as really having realistic——

Mr. BELL. At the present time with the data we are using it would appear that maybe three States would qualify.

Mr. MEEDS. Which States are those?

Mr. BELL. That would be Florida, New Mexico, and Hawaii.

Mr. MEEDS. How close does Kansas come?

Mr. BELL. Do you know, Mr. Stormer?

Mr. STORMER. At the present time it doesn't appear very close. I can't give you a specific figure. It does not appear that Kansas would qualify. I don't have that figure.

Mr. BELL. Again, Mr. Meeds, I think we would have to bring more of this data the next time we speak with your staff so you could see how we are planning this at this time.

Mr. QUIE. Would you yield on that point?

Mr. MEEDS. I yield.

Mr. QUIE. Are these States who asked and would qualify? Or are these States who would qualify if they asked?

Mr. BELL. These are the States that would qualify if they asked. They may not ask.

Mr. QUIE. My God, you can't be serious.

Mr. BELL. I hasten to say that New Mexico has asked.

Mr. QUIE. So it is Florida, New Mexico, and Hawaii.

Mr. BELL. And Hawaii, yes.

Mr. QUIE. And Kansas? Utah?

Mr. BELL. My home state of Utah, it doesn't make it, Mr. Quie.

Mr. QUIE. I don't understand why Minnesota wouldn't make it.

Mr. BELL. I don't either. But they don't at the present time with the data.

Mr. QUIE. Then you have got some screwy things in that data.

Mr. ALFORD. Mr. Quie, we should emphasize that all of this is on preliminary data. Not all of the States have been examined. So it may be that others would qualify when we get through with the full examination.

Mr. QUIE. But the ones you mentioned have been examined and qualify?

Mr. BELL. Yes, sir. If we apply these data it will be quite an exclusive club.

Mr. COOKE. Mr. Quie, I think there are only eight States that we really have data on so far. So we are very preliminary on how many States qualify and don't qualify. But we have no definitive answer on that now.

Mr. FORD. If you stay here another hour and a half I bet it will pick up.

Mr. BELL. We thought those eight States would be close to the ballpark. I would be surprised if any outside of that group make it.

Mr. MEEDS. One final question, Mr. Commissioner. There are those and even my colleagues sometimes have been a critic of the present impact aid formula. I am not a critic at all of the concept. The concept of impact aid, indeed, I am very much in favor of it.

But I have been a critic of the distribution of funds under impact aid in the past and I have not been convinced otherwise as yet.

But I must say that I don't agree with the reasons, the rationale, that you give, most of those you give, for decreasing funding under impact aid.

Nowhere do I notice in all of your objections the fact that impact aid funds in the form of B payments are going to districts which

really don't deserve to receive impact aid because there is really no impact in those districts, namely the districts where the Federal property is located is not in the school district which receives impact aid funds, what I refer to as "B-out's." I don't see that objection here, although I do see an objection that their payments far exceed the cost of local government in educating Federal pupils.

I would think you could also say that there are costs of educating Federal pupils borne by local residents in some instances which far exceed what they receive in impact aid moneys. It is a two-headed coin.

Why do you not have something in your objections about B-out's?

Mr. BELL. Mr. Alford, do you want to respond to that?

Mr. ALFORD. Mr. Meeds, we do have. The B-out state would be excluded.

Mr. MEEDS. I see.

Mr. ALFORD. The comment would be made that ours has the advantage of simplicity. It does not have a number of the refinements . . .

Mr. MEEDS. I will agree with that.

Mr. ALFORD. It does not have a number of refinements that we did have in earlier proposals we made, relating to this type of thing. So perhaps there are some needed refinements that could be given. But that is not included at the present time.

Mr. MEEDS. I must say in concluding that of all the reasons you advance some of them I think are valid. But the major ones, the B-out's, I don't see here. But I would hope that would be your rationale with respect to that concept.

Thank you very much.

Thank you, Mr. Chairman.

Mr. FORD. Thank you, Mr. Meeds.

Mr. Commissioner, I would just like to share with you a concern. I don't believe there is anybody here in the city who is more sensitive to the need for maintaining our credibility at the Federal level with local school officials and school boards. Probably the most corrosive thing that occurs is sudden shifts and changes, primarily because of late funding, which means less money than they were going to anticipate, but also with formula changes in programs, dropped categorical programs, shifts in consolidation, things like this.

The greatest complaint is they suggest that we sandbag.

I really don't feel that we are moving toward the ultimate support of elementary and secondary education. But most of this committee agrees that the Federal Government should be assuming the responsibility, and we aren't going to do that without the support of the educational community.

Mr. BELL. Right.

Mr. FORD. It just seems to me that we are courting disaster here. Here we recognize, sitting here today, that it is not possible for you to have final regulations and even run them through the computer to tell us what the impact is going to be of these changes before the time they would actually be receiving the money.

Then we would find it very difficult to restore the confidence.

I am not trying to be unfair. But would you consider that reasonable men ought to be contemplating the possibility of legislation to delay

these formula changes until we can look at the work to determine what they are going to do?

Mr. BELL. This may very well be needed. I feel that is true. I recognize that we need to accelerate our efforts in getting data together and moving forward as rapidly as we can with the regulations.

I feel that, as we said in our testimony, we have an enormously complex bill to administer. Perhaps we can come to you with some recommendations that may simplify it from where it is.

Other than that, by delay, I guess, we can possibly handle that without delay if technical amendments move rapidly. Since I am new to the scene you would know about that better than I would.

Mr. QUIE. Would the gentleman yield?

Mr. FORD. Yes.

Mr. QUIE. I would say, Commissioner, that I doubt there is going to be any legislation that is going to save the day for you because everybody has ideas they want to hang on to it when an education bill comes through.

Talking to the other body, they are talking about doing that sometime toward the middle of next year. That means you are going to be toward the end of fiscal year 1976 before you get any legislation.

So I think you had better make up your mind to send the regulations up to Congress and see what reactions they have.

Mr. BELL. We have never proceeded on any other basis.

But I would say again that I think this legislation can be improved upon.

I think what you are saying, Mr. Quie, is, let us look further down the road and the timetable for implementing what we have.

Mr. QUIE. That is the way it looks to me from the conversation I have had around here.

Mr. FORD. I think I was right in pushing the feeling of urgency. We do react when you get enough people who know there is an emergency around here.

So I would hope that your people would keep us advised of how close we are coming to an emergency and working together with the other people.

Mr. BELL. Right.

Mr. FORD. I wouldn't want to see it end up as an amendment to an appropriations bill.

Mr. BELL. Right.

Mr. FORD. Thank you very much, Commissioner.

The Committee is very appreciative of your efforts here.

I would just like to add that I have a whole group of questions that I wasn't smart enough to put together. But my staff did. I want to submit them by letter. Some of them call for rather detailed answers.

Mr. BELL. Very good.

Mr. FORD. Thank you very much to you and to all of you.

Next will be Mr. Lantson C. Eldred, national president of the Impacted School Districts of the United States, accompanied by Dr. Fish of the San Diego Unified School District.

Without objection the full statement will be inserted in the record at this time.

You may proceed to discuss it, comment on it, or supplement it as you see fit.

[Prepared statement of Lantson C. Eldred follows:]

PREPARED STATEMENT OF LANTSON C. ELDRED, ASSOCIATE SUPERINTENDENT OF SCHOOL OF NATIONAL CITY, CALIF., AND NATIONAL PRESIDENT OF THE IMPACTED SCHOOL DISTRICTS OF THE UNITED STATES

Mr. Chairman and Members of the Committee, I wish to thank you for the opportunity to appear before you today to offer comments on effects of PL 93-380 on the Impact Aid Program and other related proposals.

Joining with me are Dr. Fish from San Diego, California and Dr. Lehne from the Chicago Public Schools, who will address themselves to specific problems related to PL 93-380.

Perhaps, the most immediate concern facing local school districts is the relationship between the current economic pressures on Federal spending and the New Tier levels of Authorization and Appropriation for Impact Aid under PL 93-380. Attached at the back of this statement are the first recaps on estimated effects on local school districts comparing the Old Law and the New Law at Tier II of funding without the application of the so-called "hold harmless clause." This recap is shown on both F. Y. 74 and F. Y. 75 cost and count information. It should be noted that information from school districts was requested using F. Y. 75 base date and then changes computed to arrive at F. Y. 74 figures. We are aware that a few of the F. Y. 75 figures may have been F. Y. 74 figures furnished in haste by local school districts. The effects in this recap will prove negligible and such misconsistencies will be removed from all following recaps.

A brief look at the recap will show percentage losses from current year levels of payment which would run to possible heights of 50%, such as Jackson, Alabama. A further look would show that losses would fall most often in the 25-35% range while, at least by this recap, districts that show any gains are somewhat hard to find.

Local school districts are already faced with lack of local tax funds due to failure of people to be able to meet their tax bills. Further hesitancy by State Legislatures to allocate funds to keep up with inflation has added to this financial bind. Now to the above problems must be added the possible loss of those Federal funds that are justly due local school districts because of activities of the Federal government.

Let me try an example using Onslow County, North Carolina and an imaginary pupil.

a. Becky Anderson, daughter of Lt. Col. Charles Anderson, attends the base schools at Camp Lejeune. The Federal government pays up to $962.36 per year for her education.

b. For some good reason, perhaps to participate in a school program not provided on the base schools, Becky transfers to an Onslow County School while continuing to reside on the base. Being in "A" category, the Federal government pays $430.15 per year for her education.

c. Then suddenly, Col. Anderson receives orders to go to Southeast Asia. This requires his family to move off the base into Onslow County where Becky will continue attending the same school. Now for the very same Becky Anderson the Federal government will pay 70% of $215.07, or $151.00 per year on her education. For this year, that is. Nothing at all next year. If her father happened to decide to retire rather than ship out, nothing would be paid this year.

It seems unavoidable that the quality of Becky's education will diminish if the schools lose the resources on which they have depended and still depend.

It seems only reasonable that our government consider the bargain it is getting under PL 874, especially as regards the military connected child. If a comparison is made between what it pays to base schools and the formula amount under the Impact program the difference is considerable—$962.36 on the one hand and $151.00 on the other. If these children now attending our schools were to be picked up and transported to base schools and buildings,

staff, materials and equipment were provided for them the extra cost would indeed be fantastic.

Now on the top of the above problems the Onslow County schools could lose under PL 93-380 17% from the above payments should the "hold harmless clauses" not be funded.

The possible results of decreased Impact Aid on local schools range from reduction in programs to refusal to educate the Federal child in some states to drastic increases in local tax rates to keep the current levels of education. With people already in financial trouble due to economic conditions, I fear that any effort to raise local taxes to replace lost Federal funds would meet with great hostility both with the local Board of Education and Federal districts by PL 93-380.

The concepts of Section 2, PL 874 predates the law itself. It is the only section of the present law that was carried over from the Lanham Act whereby entitlements were calculated upon a loss of assessed valuation and a resulting continuing financial need.

Section 2 of PL 874 affects approximately 170 schools districts in 25 states of the union. All of these school districts must have lost at least 10% of their assessed valuation due to Federal acquisition of real property within the school district since 1938. The real estate loss to many school districts is well over 50%; some as high as 80%.

Approximately 33⅓% of the school districts in the nation that receive entitlements under Section 2 of PL 874 do not receive money from any other section of the law. They are totally dependent upon this one part for a substantial portion of their budgets.

While Section 2 of PL 874 has been one of the least controversial sections of the law and has been consistently paid out at 100% of entitlement, PL 93-380 deals with it more harshly than any other remaining section of the law as shown below:

Payment Prior to PL 93-380, 100% of entitlement.

Payment Under PL 93-380:

	Percent
Paragraph I Funding	25
Paragraph II Funding	35
Total through Paragraph II	60

As indicated above, Section 2 has a 40% penalty through Tier II funding; a penalty far in excess of any of the other sections.

In addition, Section 2 is not covered by any of the "hold harmless clauses" of PL 93-380. Therefore, there is no way that Section 2 could participate in any of the safeguards of PL 93-380.

Since Section 2 of PL 874 is distributed on a "need" basis, it should be returned the 100% funding level at paragraph 1. The amount of money required to fund this entire section of the law at a 100% level is not great. It is estimated by the Department of Health, Education and Welfare for fiscal year 1974 at 9 million; 1975—10 million; and 1976—11 million dollars.

It is further urged that Section 2 should be included in the intent of the "hold harmless clauses" related to reductions in entitlements caused by changes in the law.

One of the effects of PL 93-380 was the elimination of any post office facilities from qualification under Impact Aid. We would concur that those facilities that are leased to the Federal government by private concerns are of questionable qualification. We do feel, however, that those facilities such as large collection and distribution centers that are Federal property are as much of a burden on local school districts as any military facility and should be reinstated in the Impact Aid Law.

Possible difficulties may arise as a result of confusion in administering the four so-called "hold harmless clauses" of PL 93-380. It appears that two of the clauses may be included in an initial appropriation bill and the other two in possible supplemental appropriation bills. Should the opportunity arise, we would hope this Committee would aid in joining these clauses together and making them true "hold harmless" in nature.

The Department of Defense has employees who may wear a uniform or who may not. PL 93-380 makes a distinction in the rate of entitlement between the

children of these two types of employees which is not necessarily shared by local school districts. Whether or not the father wears a uniform makes no difference in the Impact on a school district as a rule. We would hope the Committee might take another look at this distinction and offer the following information from the Defense Department to show how trends in types of employees may increase the burden on local school districts.

FY 1966 through FY 1968.—114,000 Military positions were converted to 92,000 civilian positions.

FY 1973 through FY 1975.—48,000 Military positions were converted to 39,000 civilian positions.

A total of 162,000 military positions have or will be converted to 121,000 civilian positions. In converting from military to civilian positions there is a difference in the figures because civilian personnel do not require extra support personnel as the military does.

The level of funding required to fund through Tier II with the "hold harmless" provisions added appears to be significant, but not necessarily known at this time. Recent estimates released by U.S.O.E. can give the mathematician cause to doubt if the true figure is known. I can, however, by U.S.O.E. figures arrive at estimates that range from $746,472,000 to as high as $884,522,000 for funding through Tier II with the "hold harmless clauses." It should be noted that even at that level some districts still lose from current entitlement as much as 10% to 20%.

It does appear that costs through Tier II with "hold harmless" provisions will fall well within the 800 million dollar range and fast approaching 900 million dollars. Such figures in these hard times cause us to express concern, not only for education, but also the general welfare. At a time we are concerned with the retraining of so many unemployed, any proposal that detracts from the basic eudcational needs of our people must be viewed with some degree of alarm.

Although not part of PL 93-380, the Administration's new proposals for F. Y. 76 on Impact Aid are worthy of mention. I am informed that the new legislation proposes a new formula which reflects more accurately the Federal responsibility for Impact Aid. Funding priorities in the existing law in terms of "A and B" children would remain essentially the same; however, school districts would be required to absorb a portion of the costs of educating eligible children whether they are "A" or "B" children.

The scheme goes further to require a reduction from each school district's entitlement of an amount equal to 5% of its total operating budget.

If it was really the Administration's intent to "more accurately reflect the Federal responsibility" there would be no two-year old local contribution rate used to offset current costs and further, there would be a budget proposal that would include full funding for all sections of Impact Aid.

Should the Administration's proposal for F. Y. 76 become fact than I fear for the ability of many school districts to remain operable.

Let me offer as an example what will occur in the little district of Gwinn Area Community Schools in Michigan with a total enrollment of 3,250, of which 2,025 are "A" and "B" Impact children.

Tax rate one year ago=10 mils.

Tax rate now=19 mils.

Tax rate after new Administration proposal=31 mils.

Tax rate at Tier I of funding=63 mils.

This example can well be applied to all 4,600 some-odd Impact Aid school districts and as far as 3,500 of these districts are concerned, they no longer will be concerned with Impact Aid.

Gentlemen, I trust that some need for either adequate levels of funding or amendment to current law have been shown. I also trust, Mr. Chairman, that I shall be forgiven if I appeal to you by pointing out that school districts in your own state of Kentucky are particularly hard-hit under PL 93-380, with losses well up in the 30% to 40% range should Tier II and "hold harmless clauses" not be funded for F. Y. 76. However, even at that level losses will be 10% or 20% from this year's level of funding.

Thank you, Mr. Chairman, for your courtesy in permitting me to present this testimony and should I be of further assistance to the Committee, I should be honored. Thank you.

State and school district	1974–75			1975–76		
	Old law	New law, tier II	Difference	Old law	New law, tier II	Difference
Alabama:						
Mobile County	$305, 937	$396, 551	−$90, 614	$336, 726	$434, 780	−$98, 054
Baldwin County	45, 473	13, 735	−31, 738	49, 858	15, 016	−34, 797
Enterprise City	359, 870	270, 476	−89, 394	391, 337	296, 539	−94, 800
Pike County	7, 468	7, 326	−142	7, 178	8, 033	+855
Montgomery County	1, 052, 466	1, 086, 521	−34, 056	1, 115, 395	1, 119, 277	−75, 882
Troy City	3, 697	9, 639	+5, 942	4, 053	10, 568	−6, 515
Anniston City	95, 083	91, 220	−3, 863	104, 252	100, 014	−4, 238
Cleburne County	6, 196	4, 169	−2, 027	6, 795	4, 682	−2, 113
Elmore County	64, 756	51, 168	−13, 588	71, 001	56, 100	−14, 901
Russell County	67, 589	129, 353	+61, 764	145, 476	127, 640	−17, 835
Piedmont	22, 261	19, 909	−2, 351	24, 406	21, 828	−2, 579
Guntersville City	18, 197	14, 781	−3, 417	19, 954	15, 750	−4, 204
Huntsville City	2, 107, 951	1, 769, 578	−338, 373	2, 296, 046	1, 940, 177	−355, 869
Jackson County	89, 345	39, 993	−94, 352	97, 961	43, 849	−54, 112
Decatur City	193, 265	185, 628	−7, 637	211, 898	203, 519	−8, 379
Selma City	97, 418	99, 926	+2, 508	106, 810	109, 561	+2, 751
Dallas County	44, 634	39, 599	−5, 035	97, 892	89, 113	−8 779
Alaska:						
Kodiak Isle	173, 303	158, 441	−14, 682	189, 758	173, 486	−16, 272
Greater Anchorage	2, 474, 740	2, 123, 452	−351, 288	3, 711, 924	2, 328, 171	−1, 383, 753
California:						
Klamath-Trinity	268, 739	223, 101	−45, 638	294, 630	244, 596	−50, 034
Travis AFB	1, 819, 696	1, 819, 696	0	1, 995, 000	1, 995, 000	0
Sunnyvale	113, 759	92, 753	−21, 006	124, 842	101, 793	−23, 049
Ocean View	383, 661	365, 033	−18, 578	421, 035	499, 651	−20, 385
Kernville	10, 692	8, 326	−2, 366	14, 151	10, 998	−3, 156
Kern Community College	99, 306	87, 116	−12, 190	108, 851	95, 520	−13, 331
Southern Kern	64, 136	46, 472	−17, 664	70, 315	50, 951	−19, 364
Muroc	1, 558, 330	1, 542, 743	−15, 587	1, 708, 455	1, 691, 368	−17, 087
Kern Jt UHSD	52, 902	55, 256	+2, 354	58, 275	58, 036	−239
La Canada	140, 949	105, 542	−35, 407	154, 529	115, 711	−38, 818
Sierra Sands	2, 059, 382	1, 901, 980	−157, 402	2, 257, 780	2, 085, 218	−172, 562
Victor Valley	469, 638	454, 295	−45, 343	546, 563	497, 309	−49, 254
Pasadena	127, 442	95, 039	−32, 403	139, 720	104, 197	−35, 523
Sweetwater	1, 112, 775	886, 539	−226, 236	1, 217, 300	969, 798	−247, 502
Lemon Grove	131, 155	119, 770	−11, 385	148, 126	119, 771	−28, 349
Fallbrook HSD	201, 934	184, 384	−17, 550	220, 900	201, 700	−19, 200
Grossmont HSD	622, 853	488, 812	−134, 041	680, 372	534, 717	−145, 655
Escondido	126, 319	100, 754	−25, 565	138, 180	110, 215	−27, 965
Fallbrook	398, 739	382, 566	−16, 173	427, 784	219, 905	−7, 879
Los Angeles Unified	3, 423, 744	3, 693, 364	+268, 620	3, 754, 695	4, 049, 226	+294, 531
San Diego Unified	9, 246, 125	8, 313, 602	−932, 523	8, 433, 616	7, 582, 963	−850, 653
Sacramento Unified	624, 959	485, 344	−139, 615	533, 251	665, 144	+131, 893
National City	239, 681	195, 532	−44, 149	263, 032	214, 255	−48, 777
District of Columbia: District of Columbia public schools	4, 596, 735	3, 577, 401	−1, 019, 334	5, 039, 489	3, 922, 328	−1, 117, 161
Florida:						
Duval County	2, 088, 207	1, 889, 890	−198, 317	2, 289, 542	2, 150, 056	−139, 486
Clay County	1, 327, 297	1, 091, 363	−235, 934	1, 455, 242	1, 196, 523	−258, 729
Orange County	754, 470	709, 546	−44, 924	827, 206	777, 985	−49, 221
Georgia:						
Houston County	1, 290, 729	1, 040, 741	−249, 988	1, 415, 198	1, 143, 215	−271, 983
Peach County	122, 510	82, 477	−40, 033	134, 325	90, 423	−43, 902
Cartersville	8, 547	11, 493	+2, 946	9, 371	12, 603	+3, 232
Lanier County	19, 380	13, 294	−6, 086	21, 249	14, 634	−6, 615
Illinois:						
Bromberek	2, 091	1, 532	−559	2, 292	1, 680	−612
Woodland	28, 961	22, 579	−6, 382	31, 752	24, 655	−7, 097
Libertyville	31, 181	23, 490	−7, 691	34, 169	25, 753	−8, 416
North Chicago	543, 237	512, 811	−30, 426	595, 591	562, 234	−33, 357
Rantoul	416, 043	389, 781	−26, 262	456, 135	427, 348	−28, 787
O'Fallon HSD	95, 768	67, 363	−28, 405	105, 000	73, 856	−31, 144
O'Fallon Cent Dist	6, 414	4, 501	−1, 913	7, 032	4, 935	−2, 097
O'Fallon Comm Cons	58, 888	46, 109	−12, 779	64, 564	50, 558	−14, 006
Lebanon	32, 000	34, 604	+2, 604	48, 502	37, 940	−10, 562
Triad	12, 945	6, 585	−6, 360	19, 620	7, 220	−12, 400
Aviston	5, 282	3, 436	−1, 846	5, 791	3, 768	−2, 023
Jonesboro	3, 739	5, 311	+1, 572	4, 099	5, 823	+1, 724
Kentucky:						
Trigg County	43, 107	32, 218	−11, 889	47, 264	35, 767	−11, 497
Christian County	257, 717	216, 228	−41, 289	282, 351	237, 081	−45, 270
Union County	85, 325	68, 729	−14, 996	91, 359	75, 356	−16, 003
Marshall County	27, 399	25, 683	−1, 716	30, 042	28, 159	−1, 883
Muhlenberg County	37, 965	29, 475	−8, 490	41, 626	32, 318	−9, 308
Mayfield ISD	7, 342	11, 160	+3, 818	8, 050	12, 413	−4, 363
Fulton City	1, 074	5, 756	+4, 682	1, 178	6, 311	+5, 133
Russellville ISD	24, 176	16, 235	−7, 941	26, 507	17, 802	−8, 705
Central City	11, 819	8, 751	−3, 068	12, 959	9, 595	−3, 364

State and school district	1974-75			1975-76		
	Old law	New law, tier II	Difference	Old law	New law, tier II	Difference
Kentucky—Continued						
Larue County	$40,523	$31,777	−28,746	$44,431	$34,599	−$9,832
Caverna ISD	15,759	14,355	−1,404	17,279	14,739	−2,540
Hardin County	521,123	410,398	−110,725	571,378	449,978	−121,400
Breckinridge County	37,377	26,098	−11,279	40,981	28,615	−12,366
Elizabethtown	70,378	55,648	−14,730	77,166	61,015	−16,151
Fort Thomas	24,202	10,706	−13,496	19,270	11,738	−7,532
Trimble County	20,058	6,081	−13,977	21,991	6,668	−15,323
Ludlow ISD	11,143	7,507	−3,636	12,217	8,231	−3,986
Estill County	28,423	18,005	−10,418	31,164	19,883	−11,276
Rockcastle County	24,176	17,048	−7,128	26,507	18,692	−7,815
Madison County	67,028	52,270	−14,758	73,491	57,310	−16,181
Harrison County	8,418	11,796	+3,378	9,693	12,934	+3,241
Powell County	11,103	7,481	−3,622	12,174	8,170	−4,004
Montgomery County	23,639	15,589	−8,050	25,918	16,420	−9,498
Jefferson County	642,667	437,531	−205,136	704,644	515,982	−188,662
Maryland:						
Anne Arundel County	4,259,486	3,422,207	−837,279	4,667,626	3,750,102	−917,524
Montgomery County	6,959,137	2,361,041	−4,598,096	7,629,897	2,588,630	−5,041,267
Michigan: Gwinn Area School	917,408	901,977	−15,431	1,005,800	988,900	−16,900
Mississippi: Gulfport	302,028	237,520	−64,508	331,141	260,418	−70,723
Montana: Elementary SD Number 9	761,010	755,018	−5,992	834,375	827,806	−6,569
HSD Number 9	313,555	310,150	−3,405	343,776	340,043	−3,733
Nebraska: Papillion Public School	632,952	558,036	−74,916	693,950	611,816	−82,134
Nevada: Elko County School District	165,651	157,690	−7,961	181,617	172,904	−8,713
New York:						
Port Chester	8,289	45,513	+37,224	9,085	49,900	−40,814
Highland Falls	266,019	231,585	−34,334	291,659	253,957	−37,702
Cahoes City	36,025	48,512	+12,487	93,497	53,188	−13,691
Rotterdam-Draper	50,269	45,005	−5,264	55,114	49,343	−5,771
Peru	1,058,773	1,041,229	−17,544	1,160,816	1,141,579	−19,237
Beekmantown	43,951	34,690	−9,261	48,187	38,031	−10,156
Carthage	149,419	122,205	−27,214	163,821	133,992	−29,839
Westmoreland	38,289	29,099	−9,190	41,979	31,903	−10,076
Rome	1,309,680	1,182,565	−127,115	1,445,875	1,297,513	−148,362
North Syracuse	227,536	214,166	−13,470	247,579	234,811	−12,768
South Seneca	33,166	24,574	−8,592	36,362	26,943	−9,419
Niagara Falls	62,556	164,165	+101,549	68,586	179,921	+111,338
Savona	10,516	7,707	−2,809	11,530	8,235	−3,295
Niagara-Wheatfield	267,830	259,753	−8,077	293,646	284,790	−8,856
North Carolina:						
Wayne County	816,529	789,676	−26,853	895,230	865,803	−29,427
Onslow County	992,126	800,114	−192,012	1,087,803	887,232	−200,571
Cumberland County	1,831,318	1,525,495	−305,823	2,007,847	1,669,173	−338,674
Fayetteville	610,374	601,545	−8,829	669,215	659,547	−9,668
Oklahoma:						
Lawton	1,866,452	1,626,650	−239,802	2,046,364	1,834,745	−211,619
Midwest City	1,284,501	1,061,287	−223,214	1,408,417	1,163,668	−244,749
Altus	730,204	684,091	−46,113	800,590	750,034	−50,556
Moore	270,740	203,319	−67,421	296,767	222,879	−73,888
Enid	206,091	178,448	−27,643	224,955	195,646	−30,309
South Carolina:						
Beaufort County	568,428	492,611	−75,817	623,210	540,103	−82,907
Berkley County	1,402,348	1,215,145	−187,203	1,537,514	1,332,272	205,242
Richland County	444,738	406,826	−37,912	487,620	446,040	−41,580
Barnwell	79,409	58,056	−21,353	86,656	63,653	−23,203
Greenville County	79,738	143,383	+63,645	87,472	156,923	+69,451
Tennessee:						
Sullivan County	173,934	115,619	−58,315	190,761	126,762	−63,999
Bristol City	37,132	33,705	−3,427	40,709	36,954	−3,755
Washington County	96,773	67,029	−29,744	106,099	73,491	−32,608
Manchester	72,961	54,861	−18,100	79,990	60,147	−19,843
Franklin County	139,245	85,941	−53,304	152,660	93,890	−58,770
Clay County	8,981	8,078	−903	9,846	8,857	−989
Lincoln County	18,647	5,447	−13,200	20,445	5,974	−14,471
Tullahoma	123,622	93,171	−30,451	145,641	112,266	−33,375
DeKalb County	8,694	10,221	+1,527	9,532	11,207	+1,675
Memphis	939,299	1,136,890	+197,591	1,029,875	1,246,594	+216,719
Milan City	86,223	69,749	−16,474	94,535	76,510	−18,025
Texas: Killeen	2,940,561	2,777,189	−163,372	3,224,057	3,044,916	−179,141
Washington:						
Grand Coulee	191,797	150,556	−41,241	210,287	165,070	−45,217
Medical Lake	620,670	635,054	+14,384	681,598	696,259	+14,661
Clover Park	3,389,123	3,252,326	−136,797	3,715,740	3,565,888	−149,852

TESTIMONY OF LANTSON C. ELDRED, NATIONAL PRESIDENT OF THE IMPACTED SCHOOL DISTRICTS OF THE UNITED STATES, ACCOMPANIED BY DR. H. DAVID FISH, SAN DIEGO UNIFIED SCHOOL DISTRICT

Mr. ELDRED. Thank you, Mr. Chairman, for the opportunity to add to that statement.

Dr. Fish and I have split up the testimony to be offered.

In the interest of avoiding duplication Dr. Fish will handle the equalization issues and touch on some of the problems on Section C.

I think perhaps the most immediate concern facing many of the local school districts around the country is the economic pressures to relate to the Federal funding and then as they relate to this coming year to the tier levels payment under the authorization and appropriations of 93–380.

Attached to the back of this statement are, first, a table of recaps from school districts around the Nation in the order that I received them. They are coming in daily. It would be our intention to add to these recaps and share this information with you as we go down the road.

I do wish to point out that at the top of the sheet it should be "fiscal year 1974" in the left column and "fiscal year 1975" in the right column. We got carried away there with the financial year's data we asked for from school districts based upon fiscal year 1975.

We interpreted back to 1974 in case the statistics offered this morning by USOE were based upon that year.

A brief look at this recap shows percentage losses from current year levels of payment which is already prorationed running to possibly as high as a 50 percent loss, such as Jackson, Ala.

I have with me by the way in the box on the floor the actual work sheets received from every one of the school districts that is mentioned in the recaps before you.

They also appeared to fall more heavily in the range between 28 to 35 percent. You will find very few districts in the recap showing any gains at all.

The local school districts presently are hard-pressed due to the lack of collection of tax moneys and the unemployment problem facing many of the people in this country forbids them from meeting their tax bills.

The school districts then are further plagued by a financial bind in that the States have a hesitancy to appropriate the funds to support the schools.

To the above problems we now would seem to face the possibility of Federal funds being curtailed through many of the educational agencies because of the activities of the Federal Government.

I have an example in my testimony. Becky Anderson, who is a fictitious person by the way, her facts and the figures are true, represents a good example I think across the Nation of what an effect there could be on an educational agency, should they have Becky.

Becky Anderson is the daughter of Lieutenant Colonel Anderson. She attends the base school at Camp Lejeune, North Carolina. The

Federal Goverment pays for the support of Becky's education some $962.36.

Should for some reason Becky transfer to the Onslow County School District the Federal Government now would only pay toward her education $430.15.

Should Colonel Anderson be transferred to Southeast Asia or some other place the Anderson family would no longer be entitled to base housing and would most likely reside in the community while waiting for the return of Colonel Anderson.

Now for Becky's education the local district would only get $151. Yet Becky is still there as an act of the Federal Government.

It would seem unavoidable here that Becky's education would have to diminish as the school loses the resources to educate her.

It would also seem reasonable that the Federal Government is receiving quite a bargain by having Becky educated in the local community instead of having them educate her themselves.

On top of the above problems for Onslow County the schools face under Public Law 93-380 a further 17 percent loss from the above-mentioned payments should the hold-harmless clauses not be funded.

The possible results of decreased impact aid on local school districts range from outright reduction in programs to further refusal by some school districts to even educa[illegible] the Federal child, which is possible in some of our States.

There are people already in trouble due to economic conditions. We have a fear that an effort to raise local taxes to replace lost Federal dollars would meet with a great deal of hostility directed at the local school boards and perhaps a great deal directed to the peoples' representatives here in Washington who might receive some of the blame for having placed this burden upon them.

I would like to go on briefly and cover some of the other sections of the law.

I should point out that the recaps represented to you today are on Section 3 of the law only. You will find mention in the recaps of figures from California and those figures might conflict with the figures presented to you this morning by the two Congressmen.

But the two Congressmen were speaking only on section 2 and I recapped only on section 3.

Section 2 of the law actually predates the impact aid law itself, going way back to the Landrum Act. Calculations were based upon a loss of assessed valuation coupled with a continuing financial need.

There are only about 170 section 2 districts in this country. All of them have lost at least 10 percent of their assessed valuation due to Federal activities. In many of them the loss extends to well over 50 percent and some as high as 80. But there are definitely few that are that high.

Approximately one-third of these 170 school districts receive no money from any other part of the impact aid law.

Section 2, which has been one of the least contoversial over the years, is dealt with very harshly in the new law.

I have there on page 4, in the middle, that the payments prior to 93-380 were 100 percent of entitlement for section 2.

As we look at payments now under tier 1 and tier 2 of funding we find that even through the end of tier 2 a section 2 district will receive

only 60 cents on the dollar. And the section 2 districts stand no chance of recovering any of this additional money because they did not participate in any of the hold-harmless clauses.

There is I think a distinct need to address some attention to the plight of the section 2 districts. There is a need which I think should be returned to 100 percent funding level at the paragraph 1 level.

As you can see by the amounts of money before you, it would cost the entire United States in the coming year approximately only 11 million dollars to take care of those 170 school districts.

Further, should it not be applicable to adjustment at this time, then some manner could be found to indeed hold those districts harmless.

Another problem in the new law, inadvertently, I think, is that no post office facilities qualify. We would concur that leased post office facilities by the Government are of questionable qualification as far as impact is concerned.

We do feel, however, that there are large collection facilities in many of our large cities in this country that in that case are definitely a burden on the local school district just as much as any military facility might have been.

Some means needs to be found I think to reinstate at least a segment of post office services.

We find some difficulties and confusion as was expressed by the gentlemen before us when we look at these hold-harmless clauses. It appears that two of these clauses may be included in the initial appropriation bill. It also appears that two of the others must wait a possible supplemental appropriation bill.

I believe the current thinking of USOE is to report all four of these for separate appropriations.

The intent of Congress I believe was truly to hold districts harmless with a change in the formula. We would hope that when they come out with rules and guidelines here the hold-harmless clauses are such as they are worded.

Another problem we see is the distinction between a child's father as to whether he wears a uniform or not.

I have some brief statistics on the bottom of page 5 which show, for the fiscal years of 1966 through 1968 that the Department of Defense converted 114,000 military positions to 92,000 civilian.

There is a gap in here. But for fiscal year 1973 through 1975, 48,000 military positions were converted to 39,000 civilian.

The total of those years means 162,000 military positions converted to 121,000 civilian positions.

The impact of the Federal Government's activities, whether a father is in a uniform or a white shirt or a bathing suit, it matters not, as far as the school district is concerned, when it receives that child.

As we look at the tier levels and the hold-harmless clauses we relate them to the hard economic times we face, we have a fear that should the funds through tier 2 through the hold-harmless provisions be funded, I am not sure that anybody at this point in time can accurately say what that figure is.

However, using USOE's figures alone, I can find estimates that range from $746,472,000 to as high as $884,552,000 for funding through

tier 2 with the hold-harmless clauses with their own figures. Even at that level some districts lose 10 or 20 percent of funding for the current year, depending upon which hold-harmless provision would be provided.

I think we can safely say that the appropriation level that is needed here is fast approaching the $800-million figure. That is staggering. It is staggering to us in education.

We would hope that USOE could shortly provide us with the figures we are seeking or perhaps if there is a necessity for some changes.

I am informed that under the administration's new proposal for doing away with certain parts of the impact aid program they propose a new formula which reflects more accurately the Federal responsibility for impact aid.

As I recall, funding priorities in the existing law in terms of A and B children would remain essentially the same. But the scheme goes on to require a reduction from the entitlement of these districts of 5 percent of their expenditures. This would eliminate the greatest number of impact aid districts around the country from the program.

If it was really the administration's intent to "more accurately reflect the Federal responsibility" there would be no 2-year-old local contribution rate. There would be a budget proposal that would include full funding for all sections of impact aid.

Should the administration's proposal for fiscal year 1976 become operable I would fear for the ability of many of our school districts to remain operable or to be able to offer a program of any substance at all.

I have a small example on page 7, a little school district in Michigan. Its tax rate a year ago was 10 mils. Due to activities in its own State its tax rate is now 19 mills, just about double.

Should the administration's proposal on the 5 percent absorbtion go into effect they would have to raise that tax rate to 31 mils.

Should funding under 93-380 not be adequate enough to get through tier 2 and stop only at tier 1, the little school district is faced with a tax rate of 63 mils.

I would not want, for one, to try to stand up before the public and explain that.

Gentlemen, I trust that I have shown some need for adequate funding levels or perhaps shortly, sometime in the future, amendments to the present law.

There is a very small indiscretion here on the part of page 7 in an appeal to Mr. Perkins. Using his own State, pointing out how hard-hit some of his own school districts would be, with losses well up in the 30 to 40 percent range, should the hold-harmless clauses not be funded. Even at that level losses will be 10 or 20 percent.

I have kept my testimony brief in the hope of responding to questions from the committee.

Thank you for the courtesies in accepting me this morning.

Now, if we may, Dr. Fish will sit right in here with the concepts of equalization.

Dr. FISH. Mr. Chairman, the equalization comments that we have relate to the concept paper originally prepared by——

Mr. FORD. Excuse me, Dr. Fish. Without objection your statement will be inserted into the record at this point.

Dr. FISH. Thank you, Mr. Chairman.

[Prepared statement of H. David Fish follows:]

PREPARED STATEMENT OF DR. H. DAVID FISH, SAN DIEGO UNIFIED SCHOOL DISTRICT

Public Law 93-380 has modified the Impact Aid Program by adding a new section 5(d)(3) to the basic law. This section provides an exception to the previous section 5(d)(2) of Public Law 874 prohibiting state governments from taking into consideration Impact Aid funds in determining the amount of state funding a school district may receive. A simple statement of the exception is that a state could make application to be allowed to consider impact aid as part of equalization payments to school districts. Congress, in maintaining a prohibition and then adding an exception, obviously intended that the prohibition was still in effect except in certain limited cases. Testimony had been presented that in a very few states new equalization programs had been enacted which provide complete equality in accordance with the *Serrano* and similar cases. The national direction toward equalization that truly makes the quality of a student's education independent of the property wealth of the school district is a relatively recent phenomenon. Not only is the change recent, but it is very limited in implementation. Very few states have enacted financial programs that provide equality of educational resources either voluntarily or in response to a court decision.

The recentness and the extent of the potential changes in educational finance led Congress to include provisions in the law requiring careful processing of any exception to the former absolute prohibition. The complexity of the subject prevented Congress from even writing a general rule that established definitions. The law and the conference report have a combined meaning that exceptions from the general prohibition are to be determined on a "case by case" basis and the right to due process is specifically stated. Additional limiting wording established the condition ". . . if the state has in effect a program of state aid for free public education for any fiscal year, which is designed to equalize expenditures for free public education among the local educational agencies. . . ." as the basic condition. The "program of state aid" phrase indicates that the state has accepted the responsibility to provide the additional funding necessary rather than providing for shifting among local property taxes with a financial loss to affected districts.

The affected local school districts as well as the states are offered the opportunity for a hearing *prior to* the implementation of any decision to allow a state to divert impact aid funds, and thereby reduce the school district's financial support. Congress clearly did not intend the application of the exception to be general in nature or to reduce the funding available to schools.

Most important and vital to today's testimony was the requirement that the Commissioner of Education define by regulation the terms "state aid" and "equalize expenditures" after consulting state and local agencies affected. The definition of "equalize expenditures" and the method of evaluating its application through regulation is the test of compliance with Congressional intent.

On February 10th and 11th the initial consultation was held at the Office of Education with both representatives of some states and a very few of the many school districts concerned with this law. A concept paper had been developed and circulated on the 31st of December and formed the basis of discussion. The impact aid school districts are seriously concerned with the direction of the concept paper. The broad interpertation possible under the concept paper and the methods of the application of the guideline are not consistent with Congressional intent. The concept paper makes a basically simple process complicated and potentially dangerous to the financial stability of the local school districts.

As presented on the 10th of February, the concept paper takes the approach of describing three alternative methods of examining state school finance programs utilizing arbitrarily determined indicators or acceptable ranges or benchmarks for school district expenditures per students. Not only does this method become complex but it is also possible to show that in certain states already adjudged to have unequalized educational finance programs one of the alterna-

tives could apply. It is possible to demonstrate serious deficiencies in each alternative; or, much worse, to figure out some method to qualify an unequalized program through minor adjustments in wording. The total approach is inadequate to the challenge, not necessary, and almost impossible to apply universally to the fifty states. States have a wide variety of historical backgrounds in reaching their current educational funding programs. It is not the role of the Office of Education to attempt to justify or approve the pattern that has been developed but rather to certify that equalization has resulted.

The concept paper did not include some very basic preliminary conditions that must be considered in reviewing the admissibility of an application and amount of funds affected. We submit these as basic positions.

(1) The state must be in full and complete compliance with any court mandate to equalize educational opportunities. The state must have satisfied the various restraining orders, court mandates or any other judicial provisions that require equalization within the state. The equalization program must be in full operation so that the removal of impact aid funds as a direct district revenue will not lead to a reduction of funds available to the local education agency. To allow a state to take impact aid funds under consideration in an equalization program that has been judged to be inadequate or not truly equalized by a court would be directly contrary to Congressional intent.

(2) Any educational finance plan operating in a state that provides for an unequalized limit on local educational agencies through an unequalized revenue limit or other device intended to prevent or limit the expansion of educational opportunities by local educational agencies is also contrary to Congressional intent.

(3) Any funding from impact aid that has a categorical limitation cannot be considered under any state equalization plan. Equalization refers to general aid funds only and to consider funds derived from public housing students which must be spent in a categorical manner or handicapped students who must be in specified programs is not general aid.

The attention of the Commission should be focused on the effect of equalization plan and the problems of the concept paper could be avoided. As a counter proposal, we would suggest a simple process that is consistent with the original Congressional intent. First, a definition of equalization that is consistent with recent court decisions can be developed. These decisions indicate that the quality of a child's education should *not* be a direct result of the real property wealth of his school district. Another way of stating the basic thought is that the education of each child in the state should have equal access to the available resources. The process for the state then would be to establish that the amount available for the regular student in the regular program was basically the same across the state and that each school district in varying from this amount could do so by imposing an equal additional burden on the local property taxpayers for an equal amount of support per student. Other variations from the actual dollar amount per student would have to be as a result of true categories of educational need as in the case of those students requiring additional or different services as discussed in subsection 5(d)(3)(B) (handicapped, economically disadvantaged, and others). A state's application would consist of documentation that variation for the particular school district from the regular dollar amount per student have a rational basis founded on the need of the student *not* on the comparative property tax wealth of a school district or the discriminatory practices of a partial or inadequate state equalization program.

Several states are currently under order by the courts to develop equalization programs. Obviously, these states, after an extensive judicial process with the lengthy presentation of all relevant data, testimony of expert witnesses and all of the safeguards of the American legal system, cannot be considered to have an equalized program for school finance, and therefore should not be able to apply to the federal government to subvent P.L. 874 funds until they are in full and complete compliance with new court direction. To support the equalization mandated, we consider that a narrow interpretation of the law was what Congress intended. The examples that were provided in testimony of inequality under the present Impact Aid program were few and restricted to those states which have achieved a high degree of equalization. If the guidelines that implement the 5(d)(3) exception allow states which have not equalized to divert impact aid funds, then the guidelines will be a source for injustice. Congress' intent to facili-

tate equalization will have been subverted into a reward for maintaining systems of inequality.

Dr. FISH. The statements have been modified somewhat by testimony we have heard today in asides produced from staff members of the Office of Education.

In the interest of time I will concentrate on relatively few statements from their concept paper and also some specific responses to the discussion today which laid out the major issues.

First of all, with regard to the exception of 5(d)(2) we do accept and wholeheartedly endorse the idea of an extremely limited exception.

Already we have had an opportunity to check four school districts in Florida. We find that even there we have some challenge to the conclusion that Florida would qualify.

We would request of the chairman that we have an opportunity to deliver a statement from Brevard County which shows that the current Florida program does not truly equalize. It does not provide an equal dollar amount per student.

Mr. FORD. Without objection your statement will be inserted.

[Brevard County, Fla., statement follows:]

STATEMENT OF BREVARD COUNTY, FLA. ON IMPACT AID, LOCAL LEEWAY OR REQUIRED LOCAL EFFORT

When considering impact aid as required local effort in state equalization formulas, it may not be considered independently of local leeway. That is, impact aid is to compensate school districts for the added burden of school children brought to a school district by a federal government owned installation. This same installation takes property off of the taxroll and therefore decreases the potential revenue which may be realized through local leeway, or that amount of millage which may be taxed for educational purposes and which is not equalized in the state formula. Therefore, before impact aid is considered as required local effort, a state average should be computed of revenue per pupil realized through local leeway. Impact aid districts should be guaranteed at least this average by use of impact aid funds.

To illustrate the concept, Florida's total assessed valuation in October 1974 was $81,713,308,799. There were 1,563,697.88 full time equivalent students. School districts could tax 8 mills, but 6.3373 mills were treated as required local effort, or substracted from the state computation of the Florida Educational Finance program as an equalization measure. This left 1.6627 mills as local leeway, or that amount which could be taxed to support an education program above the minimum program provided by the state. Ninety-five percent (allowable for taxation) of $81,713,308,799 times the potential local leeway of 1.6627 mills divided by 1,563,697.88 full time equivalent students yields $82.54 as the average revenue per FTE that 1.6627 mills local leeway will provide. This is the average amount. Actually the districts range in potential from $194.23 in Collier County to $18.58 in Holmes County. Collier County's potential from 1.6627 mills is 1045% of that of Holmes County. Ironically, Holmes County is an impact aid county. Impact aid adds another $5.71 per FTE for a total of $24.29. This is far below the state average of $82.54 and only 12.5% of Collier County's $194.23. Would it be fair to permit Collier County to maintain their $194.23 per FTE in local leeway and count Holmes County's $5.71 per FTE impact money as required local effort?

To relate Florida's six school districts, which receive in excess of $1,000,000 in impact aid, to their local leeway situation, I have prepared the attached table.

Column 1 is the impact aid reported on the district's FY74 Annual Financial Report. Fiscal 75 figures were unavailable for the study. These impact aid figures are high as they include FY73 impact funds impounded by the President, but released in FY74. As an example, Brevard County received $759,000 in impounded funds. However, for the purpose of this study, the figures are usable to demonstrate the desired relationship between impact aid and local leeway.

Column 2 is the amount of the impact aid per student when divided by the number of full time equivalent students in the district during the October 1974 survey. To obtain the number of full time equivalent students in the district, the October unweighted FTE was doubled.

Column 3 is the amount per FTE that the local district may raise by taxing the 1.6627 mills of local leeway. Column 4 is the amount of FTE that Column 3 exceeds or is below the state average of $82.54 per FTE. Of the six largest impact aid districts in Florida, only one district, Dade County, exceeds the state average. This demonstrates the effect of federally owned property tax exemptions.

Column 5 is the potential amount per FTE available to the district when impact aid and local leeway are combined (Column 2 plus Column 4). Column 6 is the amount per FTE that this exceeds or is below the state average of $82.54. Brevard County and Okaloosa County now join Dade County in exceeding the state average. However, the largest, Okaloosa County, is still $55.38 per FTE, or 28.5% below the Collier County amount of $194.23. A good argument could be made for permitting all impact aid counties to retain their impact aid as local leeway as long as the state permits Collier County and all other counties exceeding the state average to maintain their favorable local leeway through ad valorem taxes.

Column 7 demonstrates the amount of impact aid which would be counted as required local effort. This is computed by multiplying Column 6 by the number of FTE in the district when their yield exceeded the state average. Column 8 is the amount the districts would retain to maintain the state average.

If this system of equalization was put into effect, districts would be encouraged to tax the legal millage limit. This is the only way an impact aid district could maintain the state average when their assessed valuation per public was less than the state average. This may not be a favorable goal when pressure to reduce local ad valorem taxes has been mounting. As an example, the table demonstrates that without counting $1,867,727 of Brevard County's impact aid as required local effort, the amount per FTE available to Brevard County exceeds the state average. In reality the $52.53 available FTE to the County through local leeway, or the taxing of 1.6627 mills, was not realized. Brevard County passed most of the excess above the state average on to the tax paper by only taxing 0.9127 mills as local leeway. This reduced the amount available to only $28.83 through ad valorem taxes and $91.12 total when taking into consideration impact aid. If the goal is to facilitate a reduction in local ad valorem taxes, it may be well to leave the impact aid situation as it now exists. That is, permit all impact aid to be local leeway.

In comparing per pupil revenue available, a strong argument exists for using weighted FTE. The weighting of FTE tends to factor out the influence of program variation. One school district may have a greater need for exceptional child and vocational programming than another district due to the uniqueness of their population. The programming is reflected by weighted pupils. Table 2 illustrates the same data using revenue per weighted FTE to judge the influence of impact aid on local leeway. The results are similar. Three of the six counties are still below the state average per W/FTE local leeway when they retain their impact aid. One county, as before, has a greater than average yield from ad valorem tax and could relinquish their impact aid. Two other districts are below state average yield from ad valorem tax, but exceed state average when impact aid is considered. They would retain the amount of impact aid necessary to bring them to the state average.

In summary, the large majority of impact aid districts receive less than the state average per pupil revenue from their ad valorem tax local leeway. This is due to the amount of tax exempt property owned by the Federal Government within the district. Impact aid compensates somewhat for this inequality. Districts should not be required to contribute their impact aid until there is no local leeway and all non-state revenue is considered required local effort. At this time, all districts would be equalized. A compromise position, though unfair to impact aid districts, would be to allow them to keep that amount of their impact aid which will bring them to the state average per pupil revenue through local leeway realized from ad valorem taxation. However, this will encourage impact aid districts to tax the legal limit as this will be the only way they may realize the state average in per pupil revenue. This would be in opposition to current thought of making schools less dependent on ad valorem tax, giving relief to the property tax payer.

TABLE 1

Districts	Impact aid fiscal year 1974[1]	Amount per FTE, October 1974	Yield per FTE of 1.6627 mills local leeway $82.54 State average	Amount yield above or below State average per FTE	Potential from impact aid and local local leeway per FTE	Amount of potential above or below State average per FTE	Amount of impact aid counted as required local effort	Impact aid left as local leeway
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Brevard	$3,604,147	$62.29	$52.53	−$30.01	$114.82	$32.28	$1,867,727	$1,736,420
Dade	1,329,057	5.20	104.12	21.58	109.32	26.78	1,329,057	0
Duval	1,622,021	14.70	55.62	−26.91	70.33	−12.21	0	1,622,021
Escambia	1,524,617	31.67	47.06	−35.48	78.73	−3.81	0	1,524,617
Hillsborough	1,047,178	9.11	47.30	−35.24	56.41	−26.13	0	1,047,178
Okaloosa	2,752,186	104.37	31.48	−51.06	135.85	53.31	1,405,707	1,346,479

[1] Impact aid figures for fiscal year 1975 are not available. Fiscal 1974 is somewhat misleading as amounts received are higher than normal in that they include fiscal year 1973 impact aid funds impounded by the President, but released in fiscal year 1974.

TABLE 2

Districts	Impact aid fiscal year 1974[1]	Amount per W/FTE, October 1974	Yield per W/FTE of 1.6627 mills local leeway $64.98 State average	Amount yield above or below state average per W/FTE	Potential from impact aid and local local leeway per W/FTE	Amount of potential above or below state average per W/FTE	Amount of impact aid counted as required local effort	Impact aid left as local leeway
Brevard	$3,604,147	$51.10	$43.09	−$21.92	$94.19	$29.21	$2,060,048	$1,544,099
Dade	1,329,057	3.96	79.19	14.21	83.15	18.17	1,329,057	0
Duval	1,622,021	11.65	44.08	−20.90	55.73	−9.25	0	1,622,021
Escambia	1,524,617	25.19	37.43	−27.55	62.62	−2.36	0	1,524,617
Hillsborough	1,047,178	7.30	37.88	−27.10	45.18	−19.80	0	1,047,178
Okaloosa	2,752,186	86.75	26.16	−38.82	112.91	47.93	1,520,666	1,231,520

[1] Impact aid figures for fiscal year 1975 are not available. Fiscal 1974 is somewhat misleading as amounts received are higher than normal in that they include fiscal year 1973 impact aid funds impounded by the President, but released in fiscal year 1974.

Counties	October FTE 1974	Nonexempt assessed valuation fall, 1974	July and October weighted FTE, 1974	Public Law 874, 1973-74 receipts
Alachua	22, 625. 62	749, 013, 069	29, 360. 3018	112, 332
Baker	3, 318. 36	51, 298, 737	4, 013. 0684	
Bay	20, 628. 10	577, 217, 574	25, 297. 9166	796, 600
Bradford	4, 186. 22	114, 125, 076	5, 497. 2052	28, 861
Brevard	57, 860. 18	1, 924, 017, 443	70, 525. 4146	3, 604, 147
Broward	140, 092. 94	11, 063, 581, 692	183, 000. 5652	54, 802
Calhoun	2, 127. 40	68, 598, 852	2, 717. 4382	
Charlotte	5, 725. 76	654, 738, 717	7, 148. 6544	
Citrus	7, 095. 34	296, 498, 822	9, 133. 4554	
Clay	13, 661. 02	468, 194, 341	16, 448. 6970	749, 141
Collier	12, 837. 24	1, 578, 527, 352	16, 104. 8438	
Columbia	7, 341. 18	185, 726, 909	9, 144. 2442	67, 759
Dade	255, 371. 34	16, 833, 119, 404	335, 781. 6314	1, 329, 057
De Soto	3, 585. 24	136, 221, 414	4, 526. 5546	
Dixie	1, 816. 76	37, 797, 654	2, 304. 1384	
Duval	110, 362. 46	3, 886, 909, 707	139, 284. 7550	1, 622, 021
Escambia	48, 137. 20	1, 434, 278, 762	60, 529. 0254	1, 524, 617
Flagler	1, 449. 14	126, 926, 701	1, 815. 8104	
Franklin	1, 854. 82	77, 737, 309	2, 350. 0620	
Gadsden	10, 040. 80	142, 654, 720	12, 205. 1498	
Gilchrist	1, 446. 40	48, 021, 841	1, 881. 4616	
Glades	1, 248. 90	110, 167, 338	1, 581. 3516	28, 032
Gulf	2, 821. 88	97, 358, 583	3, 609. 0822	
Hamilton	2, 369. 20	57, 871, 698	3, 290. 8856	1, 813
Hardee	4, 006. 12	153, 809, 112	4, 678. 7532	
Hendry	3, 968. 18	169, 126, 680	4, 901. 4312	
Hernando	5, 734. 18	232, 290, 765	7, 374. 4720	
Highlands	7, 205. 74	393, 941, 560	8, 980. 3814	
Hillsborough	114, 960. 46	3, 442, 522, 786	143, 547. 0212	1, 047, 178
Holmes	3, 307. 22	38, 892, 990	4, 108. 4256	18, 890
Indian River	9, 318. 18	724, 317, 755	11, 490. 3486	
Jackson	8, 298. 66	141, 194, 498	10, 405. 6850	
Jefferson	2, 409. 20	75, 197, 564	3, 144. 8104	
Lafayette	821. 38	33, 433, 478	1, 035. 7864	
Lake	17, 342. 38	963, 444, 439	21, 181. 6512	
Lee	27, 015. 30	1, 618, 565, 970	32, 818. 4422	
Leon	22, 267. 00	1, 201, 088, 653	28, 602. 8100	
Levy	4, 126. 42	125, 439, 243	5, 047. 1254	
Liberty	958. 90	26, 270, 639	1, 321. 4192	
Madison	3, 487. 70	73, 291, 975	4, 176. 0406	
Manatee	20, 444. 06	1, 078, 309, 177	25, 863. 0878	
Marion	21, 041. 02	680, 740, 159	25, 994. 0732	
Martin	8, 370. 14	944, 150, 000	10, 775. 5656	
Monroe	10, 252. 94	685, 663, 429	13, 129. 7456	706, 419
Nassau	7, 144. 68	274, 494, 506	8, 709. 3438	36, 019
Okaloosa	26, 368. 54	525, 480, 179	31, 726. 8022	2, 752, 186
Okeechobee	4, 075. 22	153, 881, 486	5, 011. 1216	
Orange	84, 557. 20	4, 719, 905, 290	107, 188. 9332	931, 283
Osceola	7, 693. 44	513, 865, 349	9, 247. 7304	
Palm Beach	72, 587. 12	5, 219, 897, 694	89, 415. 3174	
Pasco	15, 682. 28	811, 474, 060	22, 944. 5296	
Pinellas	94, 178. 02	5, 399, 535, 360	123, 295. 7110	432, 093
Polk	61, 145. 32	2, 584, 676, 013	75, 989. 0180	
Putnam	10, 776. 48	250, 943, 149	13, 290. 8014	
St. Johns	7, 942. 78	552, 628, 042	10, 708. 9494	
St. Lucie	12, 438. 38	761, 809, 263	15, 116. 7698	7, 765
Santa Rosa	11, 922. 16	1 303, 934, 031	14, 502. 8106	375, 240
Sarasota	23, 439. 80	2, 368, 195, 428	30, 716. 0858	
Seminole	30, 602. 26	862, 431, 153	37, 516. 8060	182, 304
Sumter	4, 632. 46	158, 523, 227	5, 574. 3462	
Suwannee	4, 932. 60	115, 288, 423	6, 256. 2144	
Taylor	3, 870. 00	116, 673, 494	5, 002. 2450	
Union	1, 470. 78	23, 114, 382	1, 824. 8818	2, 918
Volusia	34, 790. 34	2, 090, 980, 150	42, 269. 3418	140, 630
Wakulla	2, 314. 10	47, 173, 964	3, 172. 7112	
Walton	3, 932. 18	170, 000, 000	4, 795. 1674	204, 509
Washington	3, 863. 12	66, 109, 542	5, 840. 3125	
Total	1, 563, 697. 88	81, 713, 308, 799	1, 986, 244. 7892	16, 756, 676

[1] Excludes property under litigation.

Dr. FISH. In regard to the report that was presented there was one fact that was mentioned this morning.

With regard to the top 5 percent, we can understand removing the top 5-percent school districts. There are school districts which through quirks of nature, long bus trips and other things like that far exceed a reasonable range.

The bottom 5 percent is still not practicable. Either they are districts which are not spending an adequate number of dollars for children—and this is what this is about—or it refers to districts which are nonoperating.

I believe Commissioner Bell used those terms. To clarify what a nonoperating district is, I think we can uncharitably call a lot of these places "tax shelters." They are districts where there are so few students quite often that they find it expedient to pay tuition and they are paying it at such a low rate that they are so far below in expenditures that the only way that they can be identified must be as a tax shelter.

They are not possible in a truly equalized system.

I make a recommendation in my testimony regarding equalization. I believe that the approach taken by the administration here has made a basically simple issue complex.

We propose basically that a case-by-case basis be identified, one that shows individual school districts what they are going to receive per student and one which would show why this would vary from a standard.

It could vary because districts have been allowed to increase taxes on an equal rate or the special education needs of children have been adjudged to be identified as true classifications and they require special services as provided for in the law.

The other major point we would like to go at relates to debt service in regard to the basic equalization.

I must refer to San Diego. We are given that Public Law 815 was for the problem of school construction. This is not valid because Public Law 815, if we received the funds, it didn't result in a debt service. The school is built and operating and there was no burden back on the local property taxpayer.

Under the basic concept of Public Law 874 is burden. We did accept the burden. San Diego has 26,000 out of 123,000 federally connected children. The school district just accepted the burden of voting a tax override of $219 million, the eventual total cost of paying for these schools caused by growth.

One of the areas of growth in our city that we are servicing with these funds is the Murphy Canyon naval housing project, where the Navy has built 2,321 units which supply 4,990 students. It is in a growing suburban area where builders of new homes are being charged a surcharge on the cost of construction slated against the developer and actually paid by the homeowner when he moves in. It is several hundred dollars.

The surcharge is being paid because schools are not adjudged to be available.

The irony of the situation is that the way that the Public Law 815 law works it says you can only be paid in terms of a total district en-

rollment. That may even disqualify us from receiving funds for a new school in that area.

We have received funds previously for one school in which we have put nearly 2,000 students on a year-round basis. The actual rate of capacity for the school in our 815 application was 1,440.

So when our community accepted this burden it was because of the failure of the Government's activities and the failure of the Government through 815 to supply an adequate relief to the local property taxpayer.

I bring to your attention that I have asked the assessor of San Diego County to give an estimate of the land cost of our property in the city limits and school district of San Diego and the 15 military installations.

Two years ago this was. He identified the land in market value alone was over $730 million, disregarding any improvement on it. Just imagine how much lower the property tax would have been that our people voted to pay for schools if that land had been on the tax rolls.

This is one case where there was a great deal of justice.

I would like to speak later to a fact which came up in the course of the concept paper or rather three factors which did not come up in the concept paper and have not been mentioned here today.

One, we do not believe that any State which has not complied with any court mandate to equalize educational opportunities should even be considered in any way for receiving funds as though they were equalized.

In the previous discussion it was said that this might be possible. It is my understanding now that the new guidelines would remove that potential. It is such an obvious point, I don't want to comment on it further.

Second, the guidelines for the first time, parts of impact aid have been identified as a categorical program.

I would like to make two very basic points about the public housing section. I see that Mrs. Bertha Leviton from New York is in the audience. I assume she will speak to these points further. But I would like to state, one, that public housing is the result of Federal activity. It is a Federal law that created it. It does pose a burden on the local school district that with a categorical limitation tied to the Federal payment for the public housing student, that this should not be considered under any equalization formula. It has not been. Equalization formulas relate to general aid to education.

Second, we interpret congressional intent to mean that this money was to fill in holes in the services that we provide to students in low-income areas of the school district.

Many school districts, San Diego being one, have found it necessary to supplement with local taxpayers' funds various compensatory education programs. The school district should have the maximum flexibility in meeting these kinds of identified additional services.

Yes, they are for low-income students. But, no, they should not be tied up with the expensive categorical mandates which impose costs above the reimbursements for the Federal programs.

In other words school districts do incur additional expense from compensatory education programs and maybe one of the best uses of

the public housing would be to help meet and help service low-income students in general and not tie it down to extremely expensive categorical limitations. I am sure Ms. Leviton will speak to that further.

In the interest of time I will reduce my statements further, except to respond one final minute to the administration's proposal.

I regret that this was brought in because frankly I did not see the Batelle report which endorsed impact aid and the Stanford report which endorsed impact aid can be considered as a major justification for the major surgery that they recommend.

We have always been tarred with the brush of Washington, D.C. This Nation only has one National Capital. There are only a few school districts around here.

I wish everytime they brought up one of these school districts they would have to bring up the city of San Diego, Calif., San Antonio, Tex., Bremerton, Wash., Cape Canaveral, Fla., which is in Brevard County, West Point, N.Y.

I have a list that could go on forever. This country is national. It has one National Capital. I think they have a justified case in the school districts around the national capital.

But we are concerned with the disastrous impact at the local level by proposing to reduce budgets by an arbitrary 5 percent.

Our district this year carries a budget reserve of 0.65 percent. We are having CETA's employees who are showing up at 5 in the morning to work.

Our major problem now is finding enough money to buy equipment for them to use.

They are fine people. They are there becaues our employment rate in our community is approaching 11 percent, if it is not beyond it at this point in time.

So we would lose 5 percent of our budget. In 1974 it was 4.9 percent of impact aid. I don't think impact aid, as we have shown, with 26,000 federally connected students, can be considered incidental in San Diego.

To lose that money would pose an additional 40 cents on our tax rate. I would hate to think of how many people would literally lose their homes. I know that kind of emotional pitch is offensive on occasion. But it is the truth of the matter.

Local property taxpayers would have to absorb the burden or we would start with additional layoffs of those people who we have the power to lay off, those at the lower end of the economic scale in education, teacher aids, the probationary teachers, and so on.

We would lay them off out of district funds and acquire them out of CETA. Something is wrong in the administration's thinking.

Thank you.

Mr. FORD. Thank you very much.

We also have a statement here from the Sierra Sands Unified School District by Mr. Grant Pinney.

Without objection it will be inserted in the record at this point.

[Prepared statement of Grant Pinney follows:]

PREPARED STATEMENT OF GRANT PINNEY, SIERRA SANDS UNIFIED SCHOOL DISTRICT, RIDGECREST, CALIFORNIA

I am Grant Pinney, Assistant Superintendent of the newly formed Sierra Sands Unified School District. This district was formed July 1, 1974 by combining the

China Lake Elementary School District, the Indian Wells Valley School District, the Rand Elementary School District, and a portion of the Kern Union High School District.

The total district is now more than 3,000 square miles in size and is located in the Mojave Desert east of the Sierra Mountain Range in Kern, San Bernardino, and Inyo Counties in California.

This area is isolated from all cities of any size by at least 90 miles. The cost of living and school costs are exceedingly high. One of our highest costs is transportation.

In this area the assessed value of property per pupil is among the lowest in the State of California, so P.L. 874 money is the lifeblood of this school district.

In October 1974 we accounted for 2,300 "A" category students and 2,760 "B" category students out of a total ADA of approximately 6,500 students. Sierra Sands Unified School District is 77% impacted with federally connected students, making this district a "slave" of the Naval Weapons Center at China Lake, California. This school district exists only because the Naval Weapons Center exists.

While the enrollment is 77% federally-connected children, the income is only 22% federal money. The people of this area have taxed themselves to the limit. The local tax rate for this school district exceeds $6.00 per $100 of assessed value of the privately-owned property. The total assessed value of the school district is $34 million, while the estimated assessed value of the government-owned property in the area is over $500 million. If this school district would lose the P.L. 874 income, the $6.00 tax rate would have to be increased to $11.89 per $100 of assessed value to make up the loss in federal funds. Under the present system of financing in California it takes a vote of the people to increase the revenue limit. While the taxpayers in this area have carried the federal impact up to this point, I am sure they would not vote to nearly double the already excessive tax rate.

Thank you for this opportunity to appear before your committee.

Mr. FORD. You have developed, Mr. Eldred, quite an extensive set of figures here on the impact on individual school districts across the country that you have selected out by categories of States.

Have you been in contact with the local administrators of all the school districts that are listed here?

Mr. ELDRED. Yes. They have filled our worksheets themselves. I have more copies for committee use. They are as they came in, no special order, no special selection. And they are still coming in.

It would be my intention to enter these figures.

Mr. FORD. I would ask you to add a couple of columns of your figures here and give us also the additional returns that are generated by your survey.

When we get a place like Huntsville City in Alabama that has $355,000, what does that represent as a percentage of their operating budget? What does that loss represent?

And what happens to the same school districts if you apply the 5-percent absorption that the administration is proposing?

Mr. ELDRED. We will be pleased to enter those figures, sir, and it would not be difficult for us.

Mr. FORD. I presume you could probably get them from what you already have. You heard the Commissioner this morning. He still has some of his people here.

I would be glad to offer on behalf of the committee our assistance in arranging for you and a representative group of people from the impact aid districts to sit down with their experts and see if you can't come to an agreement on the criteria to determine to the degree that is possible, before the guidelines are finalized, what the impact consequently on the school districts will be on July 1 if all these formula changes kick in.

I am not trying to be in any way scornful of the Office over there. But I am disappointed that this record now shows that, although we passed this legislation some time ago, there has been little evidence of any effort on the part of the Office of Education to gather the data necessary for us to make a determination.

The Commissioner obviously shares the concern of this committee that we couldn't get down here until a point when we are just about out of time and then determine that change is dictated by the prospect of disaster for individual school districts.

So if we could get your people together to pool resources, since the Commissioner has offered that kind of cooperation, I wonder if you could provide some people who could stay for a few days or come back in a week or two, however it is best and most convenient to get this job done.

Mr. ELDRED. We shall indeed, sir. We welcome the opportunity to assist in any way we can.

Mr. FORD. We will determine who the appropriate person is to pick the Commissioner's team and to work with them and our staff. Both majority and minority, I am sure, will participate also.

Really I guess we are suffering from a dearth of information at the moment. That, unfortunately, is the way in which we legislated or I should say in which they were changing the formula.

You mention on page 3, Mr. Eldred, of your statement the possibility of State's refusing to educate the Federal child. This is not the first time this possibility has arisen.

As a matter of fact we have about $60 million or $66 million in impact aid that goes back to the Defense Department for running schools on military establishments because of a determination that a local school district was unable or unwilling to undertake the education of children.

Would you know how many States there are that are aware of the options of educating a military child at the local level?

Mr. ELDRED. I know one, definitely. Nebraska has this option. I believe there are two others. But I would not have the ability to name them. I will doublecheck and supply that to you, if I may.

Mr. FORD. Staff has asked the Defense Department to give us an inventory of places where they have installed schools. That should show us who made the determination not to educate those children in that extension of the public school system.

I take it from the way your statement is phrased here that you believe there is a possibility that this would be one of the reactions of the more heavily impacted States.

Mr. ELDRED. Yes, sir. One gentleman in particular as I recall 2 years ago did just such a thing. When it appeared that the appropriations were not going to be sufficient enough he actually went to the extent of mailing out letters to the parents of some of the children, that if they were to remain in his school he would have to charge the parents tuition.

I am sure, in the gentleman's defense, he did not do this lightly. He must have done it with a very heavy heart.

Mr. FORD. I suppose that would be an easy way to solve the problem since the law specifically makes provision to absorb that expense.

You also draw attention to the uniform and nonuniform distinction of the Department of Defense. It has been the policy of the Congress

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to continue in urging a reduction in uniformed positions for several years.

Your figures indicate that they aren't reducing payroll very much, just taking the uniform off them and putting them back in civilian clothes.

Is there any way to determine how many of aid children become non-uniform through this process and still reside and still work on the military property?

Mr. ELDRED. This is a determinable figure as each district must count and identify as to the relationship.

It might not necessarily hold throughout the country. But most of the districts should be able to produce this information immediately.

Mr. FORD. Just some examples, if you might have them.

Mr. ELDRED. Yes, sir. I can provide those very easily in a day or two from some of the statistics in my own office.

Mr. FORD. You are both from California. Perhaps you have talked with the superintendents. Has your State consulted with you with respect to the potential of using equalizing provisions of this act?

Mr. ELDRED. No; our State did not consult with us directly on this issue. We knew that the State of California was invited to participate in a meeting back here and that they were encouraged along with other State departments to bring representatives of local education agencies. This was not done.

As a rule of thumb I do understand that at the beginning there were some representatives from the State of Utah of local education agencies and from California. Our Don White back here in Washington did attend.

We were present at impact aid by direct invitation from the Commissioner. But that was the extent of the involvement of local education agencies to the best of my knowledge.

Dr. FISH. There is a slight addition to that. I was invited through the State after we called the State and asked the State to invite me.

Mr. FORD. You were here and heard our discussion with the Commissioner and his people about their definition of "local expenditure." Presumably that is going to have to be resolved one way or another rather soon.

He suggested that might be part of the guidelines that might be available for publication by April, the 1st of April, unless they can move much faster than they presently anticipate.

We would hope that you would be able to advise the committee of what input, if any, you have been invited to have in determining what the definition should be as set by the Commission and then advising us whether you have given that input, so that we can bear that in mind when the staff sends that proposal to us for examination.

Mr. ELDRED. We will be pleased to keep the committee posted.

Mr. FORD. I hope that before this chart is submitted finally for the record that you check some of the mathematics because some of them don't add up.

For example, you show Alabama in the 1975 and 1976 years. The figures in the plus or minus column do not jibe.

Mr. ELDRED. We have a typographical error there. I shall check immediately in my box before leaving the room.

Mr. CROSS. I just checked it.

Dr. FISH. That is not 1975 and 1976.

Mr. ELDRED. The one column on the left should just be fiscal year 1974. The column on the right is fiscal year 1975.

Mr. CROSS. I do have some questions for both of you I would like to submit later.

Mr. ELDRED. By all means.

Mr. FORD. Without objection the questions and your answers will be submitted at this point in the record.

[Questions and answers referred to follow:]

QUESTIONS SUBMITTED BY CHRISTOPHER CROSS, MINORITY LEGISLATIVE ASSOCIATE

Question. 1. You also say that the provision designed by OE is complicated. In light of your view that the exception should not be widely used and in light of the complexities of school financial provisions across the country, is it not understandable that determination of eligibility for the exception provision can be anything but simple?

Answer. Determining whether the exception needs to be complicated in its application depends upon the definition of equalization. In my testimony the definition that is used is very simple in that equalization means an equal amount of resources for each student's education with a necessary corollary that a community be allowed to raise taxes to provide education of equal quality on an equal basis with any other community. For this to be effective allowance has to be made for those areas of clearly identifiable variation in the need of students such as handicapped, educationally disadvantaged, or other specific problems requiring special programs. The problem with the concept paper proposal was that it looked at plans rather than results. For the law the significant fact is the actual dollar amount that a school district will receive per student should be equalized. How the state reaches the point of equalization is not significant. The state should be able to explain how and why variation from the equalized amount per student occurs.

Question. 2. What tests would you suggest for determining eligibility under (5)(d)(3)?

Answer. The answer to this question is given in the previous answer with the added requirement that the test for determining eligibility by a state to receive the exception would be proof that the actual result of its plan would be the dollar amount per student. The variations would have been explained in terms of meeting a categorical need that has been met on a statewide basis or that a district has varied from the basic amount through a conscientious decision to increase taxes. Again the increase would have been equalized in that the same burden would provide the same benefit per student.

Question. 3. You say that it is possible that a state which has been adjudged to have an unequal school finance program could qualify for the exception. Could you give me an example of such an instance?

Answer. The testimony refers to the concept paper wording which has subsequently been changed. However, one of the alternatives presented in that concept paper would have allowed the State of California to claim that the current school finance program which is known as S.B. 90 was equalized. In fact, the courts have ruled that this specific system does not meet the state Constitution's requirements for equality of public education.

Question. 4. On page 3 of your testimony, you say that the broad interpretation possible in OE's December 31 paper is not consistent with Congressional intent. Can you cite for me what part of the paper is not consistent and why?

Answer. As I interpret Congressional infent as stated in the report of both committee and the final wording of the law, Congress intended that the exception was to be narrowly interpreted for those states which had come into equalization. The concept paper provided essentially four different routes for a state to comply with the mandate by looking at the plan rather than the result. More specifically, the alternative that was finally presented provided for this range of over 30% variation by including the provision for 5% at the top and 5% at the bottom and then a range for the remainder of the districts at 20%. Such a range of variation is, in my opinion, inconsistent with Congressional intent, despite the testimony that only three states would currently comply.

Question. 5. On page 4 you also make the point about the distinction between general impact aid funds and those funds attributed to handicapped or public housing students. It is an interesting point. By this would you mean to exclude any funds derived from the presence of those students even though the state may be providing a fully equalized expenditure per child in the district in question?

Answer. The distinction between general and categorical funding is very important in the guidelines for impact aid. The provisions of the law that require specific utilization of funds derived from counting handicapped and public housing students limits the use of these funds in the general district support. At this point the proposed guidelines have not been published; however, the guidelines by their very existence will mean that the funds can only be used in certain ways. In the case of the handicapped students, these funds are only derived for students who are in approved programs, which means that the district must provide an additional service beyond the regular program for which general aid is provided and supported. Likewise, the restriction that public housing funds be used on low income students carries with it the burden to operate and maintain programs with expenditures above and beyond the general standard for regular students in the district. The San Diego City Schools, and many other urban systems, operate such programs because of the rigidity of ESEA Title I guidelines. It has been necessary to "fill in gaps" with district funds to maintain consistency and continuity in services provided for disadvantaged students. Our assumption is that these are the kinds of programs that the public housing money was meant to support. Very few state programs are equalized in this manner and the criteria of equalization are not those criteria which identify public housing students.

Question. 6. On page 4 of your statement, you note that in your view a state should be in full compliance with a court mandate to qualify. Would you exclude from these tests states which have taken action without the pressure of a court case?

Answer. Obviously, the state change has initiated an equalization program without a court mandate should be helpful to prove that it has truly equalized in accordance with the tests that have been previously identified. Unfortunately, very few states have really attempted to achieve this level of quality. The maintenance of a narrow interpretation will encourage state to move toward equilization.

Question. 7. On page 4 of your statement you talk in point 2 about excluding a state that provides for an unequalized limit on revenue. Could you explain further what you mean by way of example?

Answer. California, under the current law, provides that after the establishment of a revenue limit, this school district can only increase revenue by a vote of the people. San Diego's revenue limit was established at $910 per student and San Francisco's revenue limit was established at $1,420.

In other words, the beginning point had not been equalized. Under the California law, equalization will eventually be achieved, but it will take many years.

Question. 8. Your text also suggests a fully equalized per pupil amount in which rich districts would be required to forfeit extra funds. To my knowledge, Maine is the only state that has designed a program along those lines. Don't you think that is an overly strict test?

Answer. Forfeiting monies derived from a power equalizing formula which at first glance does seem unfair, however the real unfairness is the uneveness of the property tax distribution. At first examination it would appear that rich districts are being robbed in accordance with a "Robin Hood mentality." However, rich school districts are part of a larger economic unit. The example used in California is the case of Beverly Hills which is encircled by Los Angeles. The community could not exist as a separate entity without the economic, metropolitan market. For years, Beverly Hills has been a tax shelter and it could be said that it is not fair that the high value business and residential property does not pay a fair share toward the education of the children whose parents work and do business in Beverly Hill's banks, insurance companies, savings and loans, and stores.

Question. 9. Your statement indicates that no state should be eligible to qualify under (5)(d)(3) until it is in full compliance with court action. In

some cases a court may declare an existing system unacceptable, direct the legislature to make changes, and then step out of the picture. If that were the case, how would one know when full and complete compliance was achieved?

Answer. If a court has directed a legislature to make changes, the assumption is that if the changes made are not in accordance with court direction that the case would be soon back in the courts because the original plaintiffs would undoubtedly request injunctive relief. Doubtless, a legislature is well aware that this compliance is necessary will attempt to come close enough to the court's ruling that it would not again create another period of litigation and possibly even a more difficult ruling from the courts.

Question. 10. On page 5 you suggest that as an alternative to OE's plan that a definition be developed which is consistent with recent court decisions. Since there are any number of decisions and they are not uniform in their findings, which of those decisions would you select and how would you find them?

Answer. The Office of Education's definition would have to be fairly close to the one provided because the decisions may vary but the essential facts remain consistent with the point made in the Supreme Court case that the current method of financing education was equalized. The definition provided above is a difficult one and intentionally so because the federal government's position should be one of supporting equality. But irrespective of the Office of Education definition, any state in which there has been a final determination by the courts that that state's constitution, the exception should not be applicable.

Mr. FORD. Thank you very much, gentlemen.

I know from past contact that this committee has had with you and the organization that you represent that we expect to see a good deal of you in the weeks to come.

I think you can tell from the exchange between the members of the committee and the Commissioner this morning that we will need the input of local school representatives, like the members of your organization and need them very badly.

Time is running out on us. There is just no one here in Washington who knows enough about the way this program functions throughout the country to make the hard decisions without a good deal of assistance from you. And also from the State offices.

I look forward to hearing, as a member of the committee, on behalf of the committee, from you. I really think that anything you can offer that will be of assistance to us will be appreciated.

Mr. ELDRED. Thank you, Mr. Chairman. You are most kind.

Dr. FISH. Thank you.

Mr. FORD. I am going to answer a quorum now.

I will be back later.

(A recess was taken.)

Mrs. CHISHOLM. I presume that the other members will be coming back soon. We will get started. People have appointments and planes to catch and other things to do.

We are going to ask the deputy chancellor of the board of education of New York City to take the witness stand.

We welcome you here and I ask you to proceed at this point.

[Prepared statement of Bernard R. Gifford follows:]

PREPARED STATEMENT OF DR. BERNARD R. GIFFORD, DEPUTY CHANCELLOR, ON BEHALF OF THE SCHOOL DISTRICT OF THE CITY OF NEW YORK

As the representative of the Chancellor of the School District of the City of New York, I am honored to have been invited to speak to this Subcommittee of the

House Committee on Education and Labor on a subject of great concern to New York City and other Urban School Districts throughout the nation.

While it is true that Impact Aid received by the City has been only about $4 million in a total budget of $2.5 billion, or one tenth of one percent of the total budget for the education of 1,100,000 pupils, the following should be noted:

(1) Approximately 60 percent of the total budget for education is supported from local tax sources. In FY 75 the total assessed valuation in the City, including taxable and tax-exempt properties, is $61.5 billion of which 64 percent is taxable and 36 percent tax-exempt (Table 1). Federal tax exempt property is valued at $1.5 billion which comprises 7 percent of all tax-exempt properties—$910.4 million for federally-aided public housing and $578.5 million in government property. If this federal property had been subject to taxation, the City would have had additional tax revenue of $109.4 million—$66.9 million from public housing and $42.5 million from government property (Table 2). As you are aware, the intent of Impact Aid has been to aid school districts having this kind of loss in financial resources. However, $4 million in Impact Aid is a poor substitute for $109.4 million additional tax revennes. This problem plagues not only New York City but also other cities throughout the nation.

(2) We have identified approximately 56,000 public in Average Daily Attendance who reside in federally-aided public housing. Moreover, many of these same children are receiving assistance under the Aid to Dependent Children program and are educationally as well as economically disadvantaged. The special needs of these pupils for supplementary health, food, guidance and remediation programs impose an excessive burden on the limited financial resources of urban school districts. But, in many of our cities, education must compete with other municipal agencies for access to the tax dollar. If adequately funded, Impact Aid should be the vehicle for relieving the increasing cost of education for public housing pupils, which is currently supported by the local tax levy dollar.

(3) In recent years, no funds were appropriated for Impact Aid to public housing pupils presumably because ESEA Title I provided supplementary aid for compensatory programs for the economically and educationally disadvantaged. As a result of the changes in the Education Amendments of 1974, we face the following situation.

[In millions]

Fiscal year	ESEA title I			Impact aid			Grand total
	Part A	Part C	Total	Old formula	Public housing	Total	
1973-74	$154.0	$7.5	$161.5	$4.0	0	$4.0	$165.5
1974-75	131.0	3.5	134.5	3.5	0	3.5	138.0
1975-76 estimate	[1] 111.0	0	111.	1.4	7.5	8.9	119.9
Estimated change from 1974-75 to 1975-76	−20.0	−3.5	−23.5	−2.1	+7.5	+5.4	−18.1

[1] Based on 85 percent save harmless of fiscal year 1974-75 funds.

As indicated above, an increase of $5.4 million in Impact Aid does not begin to offset the loss of $23.5 million in ESEA Title I funds. At best the public housing Impact Aid monies restore only the level of allocation for ESEA Title I Part C for FY 1974.

(4) The inclusion of public housing pupils as a basis for establishing eligibility for Impact Aid increased the number of eligible school districts throughout the nation. However, the failure to fund public housing pupils combined with an increase in the number of eligible school districts has had the effect of reducing the amount of Impact Aid to all districts for the other types of eligible pupils. Thus, instead of an increase in the size of the pie, the net effect has been to decrease the size of the slice.

(5) In FY '76, as indicated previously, New York City and other cities in the nation are confronted with a significant decline in ESEA funds under the provisions of PL 93-380, which is further aggravated by the Administration's proposal to eliminate the funding to all Impact Aid districts in which such aid represents less than 5 percent of the operating budget.

It is evident that the Honorable Jacob Javits was supported in his efforts to secure the funding of public housing pupils to replace the elimination of ESEA Title I Part C—concentration grants. Regrettably, the Impact Aid legislation provides for an entitlement level of only 25 percent in the first tier of funds; the second payment cycle excludes any funds for housing pupils and the likelihood of any funding in the third payment cycle hinges on the amount to be appropriated in excess of the current $656 million level. If housing pupils were fully funded at least on the 45 percent level, New York City would receive approximately $30.2 million; at a payment rate of only 25 percent in tier I, the amount is approximately $7.5 million. In effect, this represents a loss of $22.7 million to a City beset with a budgetary crisis.

(6) Due to increased costs resulting from the current inflation, failure to increase the appropriation level above the $656 million included in the supplemental appropriation law (PL 93-554) will result in a serious reduction in the buying power of our Impact Aid.

In view of all of the above, we respectfully recommend the following actions for your consideration and support:

(1) Support full funding of Impact Aid for public housing pupils in FY '76.

(2) Increase the appropriation for Impact Aid over the $656 million funding level for FY '75 to compensate for public housing pupils.

(3) Reject the President's proposal to eliminate Impact Aid for all districts in which such aid reoresents less than 5 percent of the operating budget.

(4) Raise the entitlement level for funding public housing pupils.

(5) Extend the privilege of counting handicapped pupils of military families as one-and-a-half times a regular child when computing Impact Aid to include all eligible handicapped pupils. The higher costs of special education programs are associated with the type of handicap to be serviced not with the type of family membership. Therefore, in the interest of equity, all federally connected handicapped pupils should be counted as one-and-a-half times a regular child.

On behalf of the Chancellor of the City of New York, I wish to express my appreciation for this opportunity to share with you these concerns and urge your strong support to implement the recommendations presented herein.

TABLE 1.—BOARD OF EDUCATION OF THE CITY OF NEW YORK

DISTRIBUTION OF TAXABLE AND TAX EXEMPT ASSESSED PROPERTY VALUATION IN NEW YORK CITY, FISCAL YEARS 1971 TO 1975

[Dollar amounts in millions]

Fiscal year	Taxable assessed property valuation	Tax exempt assessed property valuation, Federal			All other exempt property	Total tax exempt property	Total assessed property valuation
		Public housing	U.S. Government property	Subtotal Federal			
1970-71	$35,329.4	$807.2	$603.9	$1,411.1	$17,231.7	$18,642.8	$53,972.2
1971-72	36,665.0	821.8	565.6	1,387.4	18,492.2	19,869.6	56,534.6
1972-73	37,965.1	826.8	573.1	1,399.9	19,206.6	20,606.5	58,471.6
1973-74	38,529.1	959.0	575.5	1,434.5	19,832.6	21,267.1	59,796.2
1974-75	39,404.0	910.4	578.5	1,488.9	20,691.2	22,180.1	61,584.1
Percent distribution:							
1970-71	65.5	1.5	1.1	2.6	31.9	34.5	100.0
1971-72	64.9	1.4	1.0	2.4	32.7	35.1	100.0
1972-73	64.8	1.4	1.0	2.4	32.8	35.2	100.0
1973-74	64.4	1.4	1.0	2.4	33.2	35.6	100.0
1974-75	64.0	1.4	1.0	2.4	33.6	36.0	100.0
Change from 1970-71 to 1974-75:							
Number	+$4,074.6	+$103.2	(-$25.4)	+$77.8	+$3,459.5	+$3,537.3	+$7,611.9
Percent	+11.5	+12.8	(-4.2)	+5.5	+20.1	+19.0	+14.1

TABLE 2.—BOARD OF EDUCATION OF THE CITY OF NEW YORK

ESTIMATED LOSS OF TAXABLE REVENUE FROM FEDERAL TAX EXEMPT PROPERTY IN NEW YORK CITY, FISCAL YEARS 1971–75

[In millions]

Fiscal year	Basic tax rate per $1,000 assessed valuation	Tax exempt Federal assessed valuation					
		Public housing	U.S. Government property	Total	Public housing	U.S. Government property	Total
1970–71	58.89	$807.2	$603.9	$1,411.1	$47.5	$35.6	$83.1
1971–72	59.70	821.8	565.6	1,387.4	49.0	33.8	82.8
1972–73	65.18	826.8	573.1	1,399.9	53.9	37.3	91.2
1973–74	68.90	859.0	575.5	1,434.5	59.2	39.6	98.8
1974–75	73.50	910.4	578.5	1,488.9	66.9	42.5	109.4
5 yr total		4,225.2	2,896.6	7,121.8	276.5	188.8	465.3

TESTIMONY OF BERNARD R. GIFFORD, DEPUTY CHANCELLOR, BOARD OF EDUCATION OF THE CITY OF NEW YORK, ACCOMPANIED BY BERTHA LEVITON, DIRECTOR, BUREAU OF SCHOOL FINANCIAL AID OF THE BOARD OF EDUCATION OF THE CITY OF NEW YORK

Mr. GIFFORD. First of all, I want to thank you for extending your invitation. This is my first opportunity to testify before a House Subcommittee on Education and I consider it an honor and even more of an honor to testify before my own Congressperson.

As the representative of the chancellor of the school district of the City of New York, I would probably be giving a different perspective than those people that immediately preceded me because of the very special problems that New York is faced with and the very special problems that most of our cities are faced with vis-a-vis impact aid.

During the current year, we received approximately $4 million in impact aid out of a total budget of $2.5 billion, or something less than one-tenth of 1 percent of our total budget.

But there are some important factors despite the limited size of the money that we presently get for impact aid and even the limited amount of money that we are talking about receiving in the future.

I think it is important that it should be noted by this committee and other people involved in impact aid note the magnitude of the tax-exempt property that exists in large cities.

For example, in New York City, our tax base, our real estate tax base, has a total assessment of some $61.5 billion.

However, only 64 percent of this taxable and 36 percent of it is nontaxable.

In other words in terms of tax-exempt property, we have a total of $22 billion of tax-exempt property in New York City. Approximately $910 million of this housing is due to the existence of public housing projects $578 million due to U.S. Government property, or a total property of $1.5 billion.

If this property were taxed—if we received our regular real estate tax for this in New York City—we would receive an additional tax revenue of $109 million, $66.9 million from public housing and $42.5 million from Government property.

I think it is very, very important that we emphasize this fact. Due to the existence of Government property in New York City and due to the existence of public housing in New York City, we are losing $109 million in real estate taxes from these two real estate types.

As you are aware, the intent of the impact aid has been to aid districts having this kind of loss in financial resources.

A little over $4 million dollars in aid is a very, very poor substitute when one realizes that we are talking about a loss of $109 million.

This problem plagues not only New York City but other large cities faced with a similar situation.

Let me make a couple of other points. We have identified approximately 56,000 pupils in average daily attendance who reside in federally aided public housing. Many of these same children are receiving assistance under the aid of dependent children program and are educationally as well as economically disadvantaged.

The special needs of these pupils for supplementary health, food, and guidance, and remediation programs impose an excessive burden on the limited financial resources of all urban school districts.

Here again the aid formula fails to take this into account. Although we understand that money is to be geared toward educationally disadvantaged children, the amount of money we are talking about—given the 56,000 pupils in average daily attendance—is far too low to serve the needs of all these chlidren.

For example, if one takes into account that we now spend something over $2,000 per student and we multiply it by the 56,000 students in average daily attendance, it turns out that we are spending $115 million for these children living in public housing projects.

We are now receiving $4 million in impact aid.

We are receiving less than 3 percent of the cost to educate these children from impact aid.

The result of impact aid, I think, also has to be looked at in terms of other cutbacks that are being contemplated by the Federal Government as exhibited in the President's recent budget submission.

The President's recent budget submission, for instance, shows an estimated aid for title 1, part A, for New York City, of some $111 million.

In 1973–74, we received $154 million in part A funds.

In 1974–75, we received $131 million.

So we are talking about a net loss of $20 million just in part A funds over a 2-year period.

When we talk about part C funds, we are talking about a net loss of $3.5 million.

In 1973–74, we had $7½ million in part C money. This fiscal year, $3½ million.

The President's budget calls for elimination of C funds for the next fiscal year.

What I guess I am really trying to get across is that one has to look at impact aid not as an isolated source of funds for a large city like New York but one also has to look at it in the context of other funding cuts that are now being contemplated.

The amount of aid called for in the new impact aid amendments of $7.5 million for public housing students in New York City would not come close to offsetting the significant decreases that we are talking about vis-a-vis title 1, part A and part C moneys.

In essence what we appear to be doing is, instead of increasing the pie, New York City appears to be getting a smaller and smaller slice of the pie. That pie has remained constant or is increasing only marginally.

One other point I think that should be kept in mind is that the inclusion of public housing pupils as a basis for establishing eligibility for impact aid increased the number of eligible school districts around the Nation.

However, the failure to fund public housing pupils combined with an increase in the number of eligible school districts has had the effect of reducing the amount of impact aid to all districts for the other types of eligible pupils.

In other words you have put us in a confrontation with other districts that have large numbers of A students and double A students.

One other factor that I think bothers us tremendously is that in fiscal year 1976 according to the legislation being proposed it is implied that all funding should be eliminated to districts where the impact represents less than 5 percent of the operating budget.

Obviously if we are talking about a large city like New York or Chicago or one of the other large cities although we are not talking about 5 percent aid we could be talking in terms of tens of millions of dollars.

We think this 5-percent restriction is one that penalizes and undercuts the entire notion of funding students living in public housing projects.

I guess one other factor we want to get at is that the impact aid legislation provides for an entitlement level of only 25 percent in the first tier funds and the second payment excludes any funds for public housing pupils and the likelihood of any funding in the third payment cycle hinges on the amount that is appropriated in excess of the current $65.6 million level.

If students living in public housing were fully funded, at least on a 45-percent level, New York would receive approximately $30.2 million. At a payment rate of only 25 percent in tier 1 the amount is approximately $7.5 million.

I have to constantly throw these figures out because you are measuring this against a loss of $109 million in tax revenues.

Even a $30.2 million funding level would represent only approximately 25 percent of what we would be getting if we were able to tax these properties.

In short, if we were attempting to summarize the position of New York City I think we could do it in the following way.

Point No. 1. We support full funding of impact aid for public housing pupils in fiscal year 1976.

Point No. 2. We are asking that you increase the appropriation for impact aid over the $656 million funding level for 1975 to compensate for public housing pupils.

Point No. 3. We are asking that you reject the President's proposal to eliminate impact aid for all districts in which such aid represents less than 5 percent of the operating budget.

Point No. 4. We are asking that you raise the entitlement level for funding public housing pupils.

Point No. 5. We are asking that you extend the privilege of counting handicapped pupils of military families as 1.5 times a regular child when computing impact aid to include all eligible handicapped pupils.

The higher costs of special education programs are associated with the type of handicap to be serviced and not with the type of family membership.

We are caught in a dilemma where we might actually be funding a child of a poor parent living in a public housing project at a level less than we would be funding the child of a general receiving an income in excess of $30,000 a year simply because that child happens to be a member of a military family.

Therefore in the interest of all equity all federally connected handicapped pupils should be counted as equals and at least in the present legislation as 1.5 times a regular child.

On behalf of the chancellor of the city of New York and the board of education, I wish to express my appreciation for this opportunity to share with you these concerns and urge your strong support to implement the five recommendations presented.

Thank you very much.

Mrs. CHISHOLM. Thank you, Dr. Gifford.

Will you be testifying separately?

I was going to call on some other members. But they are not here.

First of all, I would like to ask, Dr. Gifford, what would be the impact of using attendance rates rather than enrollment figures to compute impact aid, the impact aid grant?

Mr. GIFFORD. First of all I think the question is a very important one. Let me attempt to give a little background.

In most of the Federal legislation, especially categorical Federal legislation, we usually receive moneys on the basis of average membership, average attendance.

Let me back up just a little bit. Traditionally when we have asked for Federal categorical aid we have continuously questioned the notion of giving aid on the basis of average daily attendance.

Here is a case where we think this practice is especially pernicious because we are dealing largely with those students because of special problems associated with coming from poor families—and after all you have to be poor to live in public housing projects—they tend not to attend school at the same rate that students let us say coming from middle-class families or children from the families of generals do.

Using average daily attendance penalizes us to the tune of some 10 to 15 percent since children from poor families tend to be in school anywhere from 80 to 85 percent of the time, compared to the children from wealthy families who attend school.

So I guess one of the other reasons that we have to change the legislation is to move from an average daily attendance basis to a basis where we can actually fund children. With the extra money obviously we would be in a position to increase our personnel services and see that the children who are in school receive the services due to them.

Mrs. CHISHOLM. I understand that some of the members of our committee are proposing a 1-year delay in the implementation of the

amendments that would mandate the funding of low-rent public housing students.

Can you please tell us what effect this would have on New York City's school budget?

Mr. GIFFORD. It would be a catastrophe. Under limited funding of this particular piece of legislation for impact aid you are talking about a $7.5 million impact on public housing and a $1.4 million impact on nonpublic housing. So you would have a total loss to New York City of $8.9 million.

Even more pernicious, if we were funded at a level we are requesting, just 25 percent in the first tier, we are talking now about a potential loss of $30.2 million.

I think, Madam Congressperson, that these losses must be considered in conjunction with the potential losses resulting from the changes in ESEA regulations or proposed regulations which would cut New York City down by another $20 million over the cuts it received last year.

In short, as I stated previously in my testimony, we are asking that this Congress appropriate funds over and above the current $656 million level. We think this is crucial if New York City and the large cities are to gain benefits.

Mrs. CHISHOLM. Would you like to add something?

Ms. LEVITSON. If I may I would like to point out that during the discussion in the authorizing legislation there was a conflict concerning continuation of part 1, part C, concentration grants.

The Honorable Jacob Javits led a tremendous fight on our behalf. It appears—it doesn't "appear"—it is self-evident that he was supported by Members of Congress in securing the funding of public housing pupils to replace the elimination of the ESEA, title I, part C concentration grants.

Failure to fund the public housing pupils in fiscal year 1976 will in essence agreed to would replace the part 1–C grants. We lose the grant that presumably the machinery or the vehicle for the replacement of those funds.

So either way we cut the cake we are going to end up losing a very significant portion of the appropriation.

Mrs. CHISHOLM. In other words actually under the new amendments New York City would get approximately $7.5 million in public housing and about $1.4 million for A and B for a total of about $8.9 million.

Mr. GIFFORD. Yes.

Mrs. CHISHOLM. New York City's current funding is $4 million for A and B children. The total loss under the new title 1 formula is approximately $27 million this year; correct?

Mr. GIFFORD. That is right.

Mrs. CHISHOLM. So if there is no part C funding at all and part A will decrease fundings it means you are going to be hardly able in your city to make up for the total loss of approximately $28 or $29 million under title 1.

Mr. GIFFORD. Absolutely right.

Mrs. CHISHOLM. I am really very sorry that more members of the committee are not here to hear you testify because I think it is very

important for them to understand what will happen if they remove or do not include the public housing youngsters under impact aid.

The fact of the matter is that there is much nontaxable property for which the city of New York loses millions of dollars yearly in taxes.

I asked my staff just to draw up for me the 10 cities in this country that have the largest number of public housing youngsters.

We notice that the cities include New York City, Los Angeles, the city of Chicago, Philadelphia, Detroit, Dade County, and Baltimore City.

We found that in all of these cities there is a large number of public housing units, thus making it impossible to collect taxes from this property which then could redound to the benefit of the educational system if such property were taxable.

One of the difficulties that we have with our committee is in the understanding of the entire public housing situation. This is why I am so terribly sad that they are not here because we know the problems well.

I was wondering if Representative Ford—see if Mr. Ford is out there. I know he wants to ask questions because I know he has a keen interest in impact aid and may want to pursue it from another point of view.

Mr. GIFFORD. Madam Congressperson, in the State of New York we are experiencing at this very moment the collapse of probably the major legislative vehicle for placing low-income housing outside of areas where poor people are concentrated.

Specifically I am speaking of the collapse of the Urban Development Corp. You might recall, in fact I believe you were in Albany at the time, when Governor Rockefeller, now the Vice President, established the Urban Development Corp.

UDC was sold to the people of New York and sold to the people of the Nation as a model administrative organization that would lead to a deconcentration of poor people in the major cities.

If one reads the New York Times over the last couple of days we now see the financial autopsy being conducted by the bankers.

I think the fact that a remarkable effort like UDC has failed to deconcentrate the number of poor people makes this legislation all the more imperative.

The failure of UDC essentially is a message to those of us in large city school systems that the existing governmental mechanisms will not take the pressure off us. In fact, we appear to be the only jurisdictions willing to provide housing for poor people. In fact, the financial mechanisms will not permit us to do otherwise.

When you realize that something like UDC has failed despite all of the help, all of the talent, all of the genius of a large number of people, it makes it just absolutely imperative that this Congress and this administration recognize that we in the city have no choice. We must provide housing because nobody else will provide it.

When one looks at New York City, where we have $1 billion of tax-exempt assessed property—and I haven't talked about equalization rights because we are talking about property—worth far more

than $1 billion, we are losing tax revenues from this to the tune of tens of millions of dollars. In fact, it is $109 million this current year.

When one looks at the prospect for the future one can only see increased concentrations of public housing in the cities, increased drains on tax revenues, increased concentrations of poor people and continued frustration of people who have tried, as UDC has tried, to break up the ghettoization of poor people.

So I would say Madam Congressperson, that the urgency of our request I think has received a stimulus as a result of the disintegration of the Urban Development Corporation.

Mrs. CHISHOLM. Thank you.

Mr. Ford?

Mr. FORD. Thank you very much, Madam Chairman. Notice I still say "chairman," not "chairperson." I have worked too long to change that now.

It is nice to see you here, Bertha. For a good many years now we have been talking about how the impact in big cities is.

One of my earliest experiences with this legislation was an amendment, when Adam Powell was chairman of this committee, to bring the big cities into the impact aid program.

The way they used to discriminate against us was a 6-percent requirement if you had more than 25,000 students.

You only had to have 3 percent of your student body if you had less than 25,000 students.

So suddenly if you got big enough, thousands of kids just disappeared and they were no longer problems.

Now they have come up with a new gimmick. What percentage of the actual costs of educating a child if you presume—that is an assumption we have to make—that every child—what is the per-pupil expenditure in New York City?

Mr. GIFFORD. Approximately $2,000, sir.

Mr. FORD. What is the average that you receive from impact for children?

Mr. GIFFORD. This year we received approximately $4 million in impact aid on top of the base of 56,000 kids in attendance.

Ms. LEVITON. If I may, Congressman, the impact aid that we receive this year will probably be around $3½ or $4 million.

On that basis with that enrollment of 1.1 million children it comes out to roughly $3½ or $4 a child and we are spending close to or in excess of $2,000.

That represents a very negligible portion of the aid, of the support, that is required.

Mr. FORD. Averages expenditure. I didn't realize it was that dramatic. I think that illustrates that there is no room to further ask for absorption because it is already absorbed to the point of the ridiculous. You are just barely qualifying even when we use a 3 percent. You are counting children and not dollars.

If you compare that 3-point-something dollars against $2,000 then you discover what a dramatic thing happens when you use a percentage of your budget against the percentage of children because your million children qualify you and then when you apply the funds you don't get the money.

Did you want to say something?

Mr. GIFFORD. No. I just wanted to say that even if the impact aid amendments will not result in significant improvements they would give us $87½ million. You realize how close that is to educating just the children in the housing units? That will be well in excess of $100 million.

Actually, with the million kids we have 7½ million on top of a cost base something in excess of $100 million, you can see that we are talking about less than 7 percent reimbursement for these kids.

This obviously represents only a first step in terms of meeting the needs of the cities that are faced with the responsibility of educating children.

Mr. FORD. In the bargaining process the use of AFDC got traded off for the great boom of public housing.

I put a statement into the record that I thought your Senator had been taught by my Republican colleagues how to make horse and rabbit stew by their definition, when you put one horse and one rabbit in, and we know who got the horse and who got the rabbit.

The big cities came out bad on the tradeoff. I computed that it cost Detroit about $13 million a year drop. Your drop didn't reflect that much at first because proportionately New York City has more public housing than other large cities.

But when you take what is proposed in the budget now, they got what they could get from one side and took what they had already from the other side.

The proposed legislation of the administration cuts you off completely. The changes that were made in the bill last year would add some hope.

I think there may be impetus to do a little better job in earmarking some appropriations for public housing than last year.

For example, I read an article a couple of days ago in the Detroit Free Press, showing a map of the city of Detroit. The center city of the city of Detroit in districts represented by Charlie Diggs and John Conyers, there is a code here. They have categories, 0 to 9 percent unemployment. There isn't any in Detroit; 10 to 18, pretty good out around the edges of the city; 19 to 27 percent, now you are really getting serious; 28 to 35, 36 to 44, 45 to 53. And would you believe this? In the areas that predictably have the location of the public housing the unemployment rate as of 2 weeks ago was now 54 to 62 percent.

The overall unemployment rate for Detroit is 21 percent. I don't know anybody that has got nerve enough to tell those people in the city of Detroit to cut back on any kind of money that goes there because we are lucky if we can keep the lid on that city. The frustration is building up there. It is worse than anything anyone has seen.

At the end of this month the No. 1 employer, incidentally, for the center part of the city was the Chrysler Corp.

These people have not only been laid off but they have been told that Chrysler probably will not ever reopen that factory for a whole variety of reasons.

That work force tends to be predominantly black. It tends to be concentrated in the near east side.

The funds for those people run out about the end of this month.

I detect around here the fact that some people are beginning to understand that this is happening to us.

So I am a little more optimistic than I have been in the past that we will get support for things like that.

Mrs. Chisholm fights very hard. What she fights very hard for gets labeled a "big-city giveaway."

But when you compare the scanty one-hundredth of 1 percent of the giveaway and see what we put into it, it doesn't work out well.

Mr. GIFFORD. We have had similar situations in New York. In fact as a result of the escalating fuel costs and utility costs in New York City the city housing authority has been forced in the past 3 years to eat some $120 million in excess operating costs because of the presence of high unemployment.

In the housing projects I think you will find unemployment rates certainly comparable with those in Detroit.

The average unemployment as you know for black teenagers in New York is now in excess of 40 percent.

I would venture to guess that the average unemployment rate among heads of households living in public housing projects is probably in excess of 25 percent.

The city is terribly reluctant to pass on increases to people who just do not know where their next paycheck is coming from.

So you are talking about hidden costs in servicing people living in public housing projects and talking about impact aid, there again is a good example of how the city which is forced to build for poor people because the suburban areas will not and the smaller communities will not. It is just a classical case of how the cities continue to be hurt by legislation that is unmindful of the very, very special demands made upon people that need public service in large cities.

So all I can do is echo the observations made by people in Detroit and say it is also happening in New York and in similar and also unsimilar ways.

Mr. FORD. Thank you, Dr. Gifford.

Madam Chairwoman, I would like to insert the text of this article by John Polich in the record in support of the general proposition that this is no time to be cutting back on any kinds of funds going into the central city.

Mrs. CHISHOLM. We will enter it.

[Information referred to follows:]

[From the Free Press, Feb. 23, 1975]

TWENTY-ONE PERCENT OF DETROIT WORKERS UNEMPLOYED

(By John E. Polich)

The number of Detroiters receiving unemployment compensation has tripled since Nov. 1 as joblessness in the city has grown to include one of every five workers, according to the latest state and Wayne County estimates.

Unemployment in Detroit reached an estimated 21 percent of the work force this month, compared to 13 percent in 1974. For the six-county metropolitan area, the unemployment rate is now listed at 14.6 percent.

A Free Pres analysis of the new figures, projecting from where unemployment was concentrated during the 1970 census, indicates that five or six of every 10 workers may be jobless in certain central neighborhoods.

In some outlying middle class neighborhoods, the unemployment rate is estimated at 18 percent.

State aid to dependent children has been largely unaffected by the downturn in the economy. But general assistance (GA) funds that buoy men and women on the lowest rungs of the poverty ladder has increased 39 percent since January 1974.

The figures assure Detroit will keep its title as unemployment capital of the nation.

"People are just now noticing the Detroit unemployment rate because it has become topical," said Ernie Zachary, the city's senior economist. "But Detroit has had the highest unemployment rate of any major central city over the past five years. And nobody noticed."

Zachary cited 1973 as an example. About nine percent of the work force in Detroit was unemployed then, compared to 4.9 percent in Chicago, 6.4 in Los Angeles, six in New York and 7.1 in Cleveland, Zachary said.

"And that was 1973—a great year for the auto industry." He said that was because automakers are substituting capital outlays for labor, and using overtime instead of more workers.

"Now the whole thing's just gone wild," Zachary said.

Blacks are hardest hit by booming unemployment, with most experts estimating that the rate for the blacks in the metro area is twice that for whites. The metro area includes Lapeer, Livingston, Macomb, Oakland, St. Clair and Wayne counties.

Judging from what were the neighborhoods of greatest unemployment when measured by the 1970 census, Zachary believes that four or five workers out of every 10 may be jobless in certain areas.

He cited parts of southwest Detroit, the district just north of downtown and areas along Mack on the east side.

Many unemployed persons have not yet applied for state benefits because they are temporarily receiving supplementary unemployment benefit payments from the auto companies. Others qualify for food stamps, but not yet for unemployment benefits.

The number of Wayne County households certified to receive food stamps jumped 20 percent between November and January, to 73,310.

Poverty is widespread in a broad strip saddling Woodward from Grand Blvd. to the city line on the north; south of Warren between the Chrysler Freeway and Conner Lane, and in a near west side area between Tireman and Puritan from Thompson to Meyers.

Researcher John Sullivan of the Detroit office of the Michigan Department of Social Services looked over the latest statistics and said:

"We've added about 80 new workers in the past month just to help handle food stamps. If this unemployment trend continues, we're going to have quite a problem without some kind of emergency action."

Mrs. Chisholm. I would just like to say in conclusion, and I think Congressman Ford will agree with me, that in view of the fact that the economic squeeze is being felt very deeply by thousands of families that live in public housing projects across this country, thus placing them in a position of not being able to make a contribution to the tax rolls, supplemented by the fact that they are living on property that is nontaxable, it would seem to me these would be enough to make us on this committee reconsider the entire question of impact aid insofar as the economy of this country now stands.

As Congressman Ford has said, I think that we are beginning to understand and see a few things that perhaps were not so visible even just last year.

I just want to thank you, Dr. Gifford, and your aides for coming here today to testify before the committee.

Our remarks are on record as an attempt to deliberate on something that is relevant and meaningful in light of what is happening in our Nation today.

We will have in the record some of the major concerns of the big cities.

Thank you very much for appearing here today.

58-348—75——6

Dr. GIFFORD. Thank you.

Mrs. CHISHOLM. The committee now stands adjourned.

[Whereupon, at 1:13 p.m., the committee adjourned, to reconvene at the call of the Chair.]

[Information submitted for inclusion in the record follows:]

EDUCATION COMMISSION OF THE STATES,
Denver, Colo., March 6, 1975.

Hon. CARL D. PERKINS,
Chairman, Committee on Education and Labor,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: It is my understanding that the Committee has held at least one hearing on the status and implementation of the amendments to Public Law 874 which were included in Public Law 93-380. One of these, which relaxes the prohibition on states including impact aid in school finance equalization programs, is of considerable importance to the efforts under way in many states to foster school finance reform. Senator Harder of Kansas submitted a statement on this issue with which we concur. Because ECS is working with a number of states to foster reform efforts, I am taking the liberty of writing to you about this matter.

The Office of Education is still in the process of developing regulations to implement Section 5(d)(3) of P.L. 874. It has issued a "concept paper" and has held a number of meetings with representatives of state educational agencies and others concerning this matter. In the process, it appears that the intent of the Congress in amending this section of the law is being lost. When this matter was considered by your Committee and by the conferees, it was our understanding that your intent was to allow states to consider impact aid payments to LEAs in the context of equalization programs which reflect the relative need and resources of the local agency, in other words, to permit states to eliminate the disequalizing effects of 874 funds. If a state finance program through one means or another allocates state funds to districts in a manner designed to equalize the ability of those districts to provide educational services, impact aid must be included as a local resource, or the impacted districts end up with a windfall at the expense of the other taxpayers of the state.

In this context, it was our understanding at the time that P. L. 380 was passed that the so-called "Meeds" language which was added by the conferees was intended to define equalization, as well as to prescribe a means for computing the permissible inclusion of impact aid in state systems.

In its concept paper and discussion with state officials, the Office of Education has taken a different view of Congressional intent. OE's posture is that the Congress intended to give the Commissioner of Education complete authority to define equalization and that only such state programs as conform to his definition will be permitted to consider any impact aid, and then only to the degree allowed by the Meeds formula. The legislative history cited to support this view is the language in the House Committee Report, which indicates the Committee's assumption that this provision would be of limited applicati The introduction of this two-step approach to implementation of the law makes the whole thing much more complicated than is necessary. Our information indicates that only four states, Kansas, New Mexico, North Dakota and Maine, presently make provision under state law for consideration of impact aid payments in the calculation of state aid. Accordingly, under any interpretation of the law, only four states would presently be affected. Section 5(d)(3) is only permissive and will have effect in any other state only after action that state's legislature. However, it is important that there be a clear statement of Federal policy and law in order that sate legislators may deal with these issues in a rational manner rather than trying to guess what position the Office of Education is going to take.

I believe that an appraisal of this matter will indicate that the guidelines now being contemplated by the Office of Education will result in confusion and inequity. Currently under consideration is the imposition of a standard which allows a maximum variation of 20% in per pupil expenditures between the district of the fifth percentile and that of the 95th percentile. If a state plan met this test, the Meeds formula would then be applied district-by-district to determine the amount of impact aid which could be considered.

Certainly, the issue should be judged on a district basis because impact aid goes to districts rather than states and this is the only rational way the issue can be considered. However, the use of the 20% standard could mean that OE would allow impact aid payments to be considered in a state with a 20% variation and not at all in a state with a 21% variation. This does not make much sense. A much more logical approach is to do what the law says and allow states to count impact aid in equalization formulas to the extent to which they equalize, i.e., apply the Meeds formula. By this course the application of the law would be governed by the result, i.e., the degree of equalization thus achieved.

I am writing to you with the thought that the Committee will be involved in discussions of this matter. We would be happy to arrange for a group of state legislators and school finance people to meet with you and other members of the Committee to air these issues, if you think it would be helpful.

There are two very ironic features of OE's position. The first is that the interpretation being given to the law by the Office of Education is ostensibly designed to "protect" impacted districts at the same time it is proposed to drastically reduce the funding of the program. The second irony is that the way Section 5 of P.L. 874 is structured the penalty to be imposed is a state program includes impact aid in violation of Federal restrictions is to withhold impact aid from the district to which it is being charged. Thus, the Federal Government's penalty runs against the district it is trying to protect.

ECS has no desire to see impacted districts penalized or mistreated; indeed, we believe that the impact aid program serves a valid and useful function. Our only concern is that states have the latitude to mesh impact aid with state aid in creating equitable financial systems. If a meeting of knowledgeable state people with the Committee would be helpful, let me know

Sincerely yours,

WENDELL H. PIERCE.
Executive Director.

THE COUNCIL OF THE GREAT CITY SCHOOLS,
Washington, D.C., February 27, 1975.

HON. CARL D. PERKINS,
Chairman, House Education and Labor Committee,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: Unfortunately, Dr. Arthur Lehne of the Chicago Public Schools can not appear before the Subcommittee on Elementary, Secondary, and Vocational Education this morning because he had to represent his school system before the Illinois State Legislature. However, I did talk with him on Tuesday and I would like to share with you some of his observations and concerns as well as those of his colleagues about the impact aid program in FY 1976, especially regarding public housing funds.

BUDGET REQUEST FOR FISCAL YEAR 1976

The Administration's impact aid budget proposal is callous, to say the least, to the fiscal needs of the large city schools. To absorb 5% of their entitlements under impact aid will mean a loss of at least 58 million dollars of revenues—just considering federally related and public housing children. This is unconscionable considering that districts such as Los Angeles, New York City, and Atlanta, are faced with staggering projected budget deficits for next year. We have attached a table of the impact of the "absorptions" to this letter. This proposal needs to be strongly rejected.

EQUALIZATION

Because of the concern of the Congress about the needs of children living in impoverished areas, the public housing funds under impact should be directed at the specific needs of neighborhood schools serving low-rent public housing students. This is a categorical grant program to meet special needs. These funds will not go into the general budget. Therefore, category C public housing funds should be and must be exempted from the impact aid equalization provisions.

USE OF PART C PUBLIC HOUSING FUNDS

The general feeling of the large city systems we have talked to is that the impact funds from public housing should have maximum flexibility in their use. This does not mean that funds should be put into a principal's "slush" fund, but that they should be used for a variety of purposes based upon the needs of the building site to which they have been allocated. What is not needed is highly restricted and specific regulations such as those governing Title I Funds. We must consider allowing each school district to submit to its State Department a spending plan to meet the specified needs of the school and the children to be served, and to reach concrete objectives. In Los Angeles or Detroit these funds might be used to provide a safe and decent learning environment for their children; in Minneapolis dollars might be used to serve children in a special reading program. The Congress in the Education Amendments of 1972 passed an Indian Education Act which, like the public housing impact, was an entitlement program with specified purposes. We would hope to have similar latitude in the operation of programs in public housing areas.

Mr. Chairman, the cities are pleased with this Committee's work last year in conference on the public housing provisions of impact aid. We feel that the compromises reached were fair. We have been pleased and grateful also with the Chairman's continued support of public housing funding in the past as documented in his testimony before the Labor-HEW Appropriations Subcommittee of the House in 1973 and 1974.

If there is any further information you or the Committee may need, or comments you would like to receive, please feel free to call on me or Dr. Lehne or upon Dr. Herschel Fort of the Detroit Public Schools for help. We will be working together on these particular provisions for the coming year.

Once again, our thanks to you and the Committee.

Sincerely,

SAMUEL B. HUSK,
Executive Vice-President.

Enclosure.

COUNCIL OF THE GREAT CITY SCHOOLS, ESTIMATED IMPACT OF 5 PERCENT ABSORPTION ON 27 LARGE CITY SCHOOL SYSTEMS

	Loss of "B" revenues	Loss of public housing at 25 percent	Total loss of anticipated revenues
Atlanta	$362,296	$733,473	$1,115,769
Baltimore	1,211,493	102,498	1,313,991
Boston	278,772	453,230	732,002
Buffalo	98,224	522,824	621,048
Chicago	993,916	4,000,858	4,994,774
Cleveland	322,074	503,582	825,656
Dade County	1,468,863	1711,755	1,680,618
Dallas	365,412	425,676	790,488
Denver	1,780,878	197,312	1,978,190
Detroit	474,317	609,822	1,084,134
Houston	311,421	187,240	498,661
Long Beach	1,384,718	25,701	1,410,149
Los Angeles	3,018,646	912,273	3,930,919
Memphis	572,204	371,200	943,404
Milwaukee	169,882	186,199	356,081
Minneapolis	201,458	136,534	337,992
New Orleans	210,435	819,533	1,029,968
New York City	5,210,032	7,729,182	12,939,214
Oakland	775,650	311,845	1,087,495
Philadelphia	2,265,122	1,787,179	4,052,301
Pittsburgh	125,568	696,203	821,771
Portland	290,886	258,191	549,077
St. Louis	314,976	323,799	638,775
San Diego	6,835,484	77,823	6,913,307
San Francisco	1,491,633	228,428	1,720,061
Toledo	67,269	127,387	194,656
Washington, D.C.	4,338,046	690,816	5,028,862

1 Miami only.

STATEMENT OF HON. GUNN MCKAY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF UTAH

Mr. Chairman, I appreciate the opportunity to present to this Committee some reactions and some concerns I have as to proposed regulations governing application of Section 5(d)(3) of P.L. 874.

As was emphasized over and over again last year, when P.L. 874 was amended to allow states to consider impact aid payments as local resources under certain conditions, Congress wants to encourage states to equalize education among their school districts. And, we want to assure states that have gone ahead and equalized educational finance that their systems will not be thrown off balance by a restrictive and inflexible impact aid law.

It is appropriate that impact aid monies be counted as local resources—which, essentially, they are—where a state has equalized educational expenditure to compensate for disparate local resources.

However, I am concerned that under the concepts presented thus far by HEW, states will be allowed to reduce their aid to local districts receiving impact aid monies despite wide disparity in tax bases and per pupil expenditures for education. HEW appears to have interpreted the language of 5(d)(3) broadly, with an intent to encourage states to move toward equalization. There are a number of ways in which states can come under the equalization umbrella, according to the proposals set forth in the HEW concept paper on this matter. It is my view that, in interpreting the 5(d)(3) language so broadly, HEW is not following the intent of Congress. What is needed is a tight interpretation which will allow states with complete equalization to take impact monies into consideration when computing state aid to education, but will not penalize impacted districts which rely on P.L. 874 funds to compensate for low tax bases and inability to raise enough money through mill levies.

In its concept paper, HEW has proposed a standard whereby a state may qualify under 5(d)(3) if there is no more than a 20 percentile difference in amount of revenue per pupil between districts, under the state's equalization formula. This standard is far too broad. It will allow states to capture, at state level, the funds that go to districts to compensate for the federal presence in those districts.

What I believe the Congress was trying to insure when this amendment to P.L. 874 passed last year was that these P.L. 874 funds not go through the states unless such states have formulas that attempt to equalize the total education program—not just maintenance and operation, and not just a minimum per pupil expenditure that allows wealthy districts to continue to enjoy a vastly superior educational program. Because of the many different equalization formulas employed by states, it was impossible to pass an amendment that defined "equalization" for purposes of the 5(d)(3) exemption. That task has been left to HEW. But the intent of Congress is clear. Only states with equalization formulas that take into account the total resources of a school district should be able to capture P.L. 874 funds at the state level.

A discussion of the Utah school equalization formula may be instructive in highlighting some of the particular problems of the approach set forth in the HEW concept paper. Utah is equalized with 28 mills for maintenance and operation, which guarantees a certain minimum expenditure per pupil and a minimum local tax rate. There is an additional 10 mill voted local leeway that is partially equalized. The remaining funds that go into the basic education program, the capital outlay program, and the voted leeway program are not equalized. Thus, there are serious disparities in expenditures per pupil from district to district, with the wealthier districts providing the highest per pupil expenditure. Districts with lower assessed valuations have to make a greater tax effort to generate enough money to educate their students, whereas in districts with greater assessed valuation, a more modest tax effort will generate sufficient funds. A 1 mill increase in the voted leeway raises anywhere from $3.72 per pupil in Davis County and $3.84 in Weber County (heavily impacted districts) to $9.95 in Jordan and $11.55 in Salt Lake City. Impact Aid payments are not "gravy." They are necessary compensations for the lack of a property tax base and they comprise a critically important part of these school districts' budgets.

School superintendents from impacted districts have told me that to compensate for the loss of impact funds, impacted districts would have to levy anywhere

from two to nine mills. To impose such a burden on these districts was not, in my view, the intent of Congress in amending section 5(d)(2).

I would urge the Commissioner to promulgate regulations which will protect impacted school districts from loss of P.L. 874 monies where the state equalization program is not one which equalizes for the total educational program and does not reflect all of the resources available to a local district.

BOARD OF EDUCATION OF MONTGOMERY COUNTY,
Rockville, Maryland, February 20, 1975.

HON. CARL D. PERKINS,
Chairman, House Committee on Education and Labor,
U.S. House of Representatives, Washington, D.C.

DEAR REPRESENTATIVE PERKINS: On behalf of this school system I want to bring to your awareness the substantial adverse financial impact that the education amendments of 1974 will cause to taxpayers in this county. We are pleased that you have scheduled a special committee hearing on February 27 about the anticipated effect of this legislation on Impact Aid to school systems throughout the country. I request that this letter be made a matter of record at that hearing and also that, if additional hearings are scheduled to receive testimony beyond the limited number of speakers you can hear on February 27, we be permitted to present more detailed testimony.

Our understanding is that the special hearing is primarily to seek clarification from the Commissioner of Education and others in USOE about the guidelines which will be followed in the implementation of the education amendments of 1974. Because of some apparent confusion about this legislation and its effect on the Impact Aid Program, we believe this hearing will serve a very useful purpose.

In order to try to assess the financial impact in Maryland from the changes in the level of financial support under the Impact Aid Program, members of the superintendent's staff obtained pertinent data from several Maryland school systems. The data are predicated on a per-pupil amount of $832 which reflects the current level of payment plus a 10 per cent increase factor in the FY 1975 program. Attachment A summarizes the projected impact between the existing provisions in the program and those under Tier I and Tier II. It is readily apparent that these systems, which are typical of many school systems throughout the United States, would experience a devastating reduction in federal aid unless some changes are brought about. To illustrate the impact on this county, under Tier I we would lose about $6.5 million and under Tier II approximately $5.0 million. For the reasons described below, we view this reduction as most inequitable. The already heavily burdened taxpayers in the county very likely would need to make up the revenue loss through higher local taxes in the absence of any promise of a higher level of either state or federal aid.

A word about Impact Aid in this particular county may be helpful to you and other committee persons. Because of its comparative wealth, Montgomery County has been cited by federal officials as an unworthy recipient of Impact Aid. This is regrettable as one considers the plight of the taxpayers in this county in relation to: (1) the rather steady decline in the percentage of federal aid received, and (2) the removal from the tax rolls of federal property which, in turn, constitutes about 8 per cent of the value of all assessed property.

Attachment B summarizes by source the funding of operating budgets over the decade from FY 1966 through FY 1975. While the amount from federal sources (the bulk of which —$5.9 million—is from Impact Aid) has increased about $2.0 million over the period, the per cent has decreased from 6.7 to 3.0. The table also shows a significant decline (from 19.0 to 17.4 per cent) in state funding. The obvious result is that the county fiscal authorities have been required to fund the bulk of the added cost for education from local sources. It is significant that the local share has increased from about 68 per cent to nearly 74 per cent.

Impact Aid funds continue to be very helpful as budgets are funded. However, you and other federal legislators need to understand that as of July 1, 1974, the assessed value of all federal property in this county on a 50 per cent of market value level was $301,534,820. If the current $2.53 per $100 tax levy could be applied on this property, it would produce revenue of $7,636,369. Since the current

level of Impact Aid is only $5,873,080, it is obvious that local taxpayers must make up the loss factor. Stated another way, if this federal land was owned by commercial interests, the proceeds from real estate taxes would increase a net effect amount of about $1.8 million.

This information indicates beyond question that the Impact Aid proceeds to Montgomery are justified. The justice of the Impact Aid Program lies in the fact that most school costs are borne by the property tax paid on residential and commercial property. In Montgomery County a very large owner of commercial property is the federal government. Other employers pay property tax on their property and that money supports the schools. The federal government should accept this same fair responsibility where it owns large real property holdings. thus, it is only fair for the federal government to pay local property tax or in some other manner to do the equivalent—Public Law 874 is the vehicle for doing this.

The U.S. Office of Education has conducted two extensive studies of P.L. 874 and both have concluded the program should continue. The 1965 Stanford Study said in part: "Thus, we conclude that P.L. 874 is a defensible, though somewhat unusual, piece of federal legislation; that it is properly conceived in terms of relieving burdens imposed upon school districts that educated federal pupils . . ." The 1969 Battelle Study said in part: "The federal government should continue to provide a program of school assistance in federally affected areas. The basic features of the current program are sound. The basic mechanism of the current program . . . is sound. It is capable of providing a reasonable approximation of the federal impact upon a district . . ."

We will appreciate the inclusion of this letter in the record of the February 27 hearing. If subsequent hearings are scheduled on this legislation, which will have a devastating impact on many school systems unless amended, we will appreciate the opportunity to testify. Meantime, should your staff have any questions about the information in this letter, please let us know. We are hopeful that you will release the results of this hearing to affected school systems as early as possible.

Sincerely yours,

THOMAS S. ISRAEL,
President.

Enclosures.

IMPACT AID—EDUCATION AMENDMENTS OF 1974, PROJECTED FINANCIAL IMPACT ON SELECTED MARYLAND SCHOOL SYSTEMS

School system	Number of pupils								Existing law	Educational Amendments of 1974		Net change	
	A's				B's								
	Military		Civilian		Military		Civilian						
	In	Out	In	Out	In	Out	In	Out		Tier I	Tier II	Tier I	Tier II
Baltimore County	12	0	8	0	354	0	2,774	2,288	$1,592,115	$468,187	$1,049,503	$1,123,928	$542,612
Calvert County	58	0	3	0	45	0	121	440	222,142	61,660	134,843	160,482	87,299
Carroll County	0	0	0	0	63	0	0	937	203,200	55,312	118,543	147,888	84,657
Frederick County	250	0	28	0	223	0	1,127	1,489	871,273	272,596	620,659	598,683	250,620
Howard County	0	0	0	0	269	0	119	3,440	1,114,714	261,508	564,001	853,206	550,713
Montgomery County	0	0	134	0	1,034	0	8,359	17,091	7,629,897	1,166,703	2,588,639	6,463,194	5,041,267
Prince Georges County	1,772	0	59	0	7,670	0	8,453	26,940	13,910,996	2,400,391	5,999,640	11,510,605	7,911,356
Total	2,092	0	232	0	9,658	0	20,953	52,625	25,544,343	4,686,357	11,075,819	20,857,986	14,468,524

Note: Per pupil rate used in formula calculations was $832.

ATTACHMENT B

MONTGOMERY COUNTY PUBLIC SCHOOLS, FUNDING OF COUNCIL APPROVED OPERATING BUDGET FOR FISCAL YEAR 1966 THROUGH FICSAL YEAR 1975 (INCLUDING REVOLVING AND MANAGEMENT EXCLUDING MIC)

Fiscal year	Federal		State [1]		Local						Grand total
					County		Other [2]		Total		
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	
1966 [3]	$4,438,000	6.7	$12,540,537	19.0	$44,686,008	67.5	$4,503,473	6.8	$49,189,481	74.3	$66,168,018
1967 [3]	4,700,000	6.3	13,377,991	18.0	51,431,495	69.2	4,466,964	6.5	56,298,459	75.7	74,376,450
1968 [3]	5,320,000	6.1	20,055,043	22.8	55,602,426	63.2	6,990,984	7.9	62,593,410	71.1	87,968,453
1969 [3]	4,644,000	4.4	22,562,772	21.5	70,092,332	66.9	7,564,856	7.2	77,657,188	74.1	104,863,960
1970 [3]	5,975,000	4.9	23,793,370	19.3	85,836,266	69.7	7,492,728	6.1	93,328,994	75.8	123,097,364
1971 [3]	5,200,000	3.7	27,668,565	19.8	99,694,595	71.4	7,109,937	5.1	106,804,593	76.5	139,673,159
1972	4,739,573	3.0	28,981,605	18.2	117,359,087	73.9	7,852,821	4.9	125,211,908	78.8	158,933,085
1973	7,554,387	4.3	30,643,728	17.5	126,092,584	71.9	10,962,165	6.3	137,054,749	78.2	175,252,864
1974	6,468,491	3.4	32,497,248	17.4	138,542,970	74.0	9,700,022	5.2	148,242,992	79.2	187,208,731
1975	6,424,024	3.0	36,488,379	17.4	155,178,825	73.8	12,121,382	5.8	167,300,207	79.6	210,212,610

[1] Including Federal through State.
[2] Consists primarily of prior years surplus, sale of lunches and tuition and fees.
[3] All supported programs were not included in the operating budget during these years.

OVERSIGHT HEARINGS ON THE IMPACT AID LAWS AND TESTIMONY ON H.R. 5181

WEDNESDAY, APRIL 9, 1975

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON ELEMENTARY, SECONDARY,
AND VOCATIONAL EDUCATION OF THE
COMMITTEE ON EDUCATION AND LABOR,
Washington, D.C.

The subcommittee met at 9:43 a.m., pursuant to call, in room 2175, Rayburn House Office Building, Hon. Carl D. Perkins (chairman of the subcommittee) presiding.

Members present: Representatives Perkins, Ford, Meeds, Lehman, Blouin, Risenhoover, Zeferetti, Miller, Mottl and Goodling.

Staff members present: John F. Jennings, counsel; Thomas R. Jolly, counsel; and Charles W. Radcliffe, minority counsel.

Chairman PERKINS. The committee will come to order.

A quorum is present.

The Subcommittee on Elementary, Secondary, and Vocational Education is conducting a hearing today on H.R. 5181 which would delay until October 1, 1976, the effective date for the implementation of various amendments to the impact aid program, Public Law 874, adopted by Congress last summer in the education amendments of 1974, Public Law 93-380.

Those amendments in Public Law 93-380 would have caused a substantial restructuring of the impact aid program. Their original effective date however was delayed until July 1, 1975 so that the Department of Health, Education, and Welfare would have sufficient time to analyze the amendments and to produce data by school district showing Congress the results of those amendments and how they would affect the individual impacted school districts throughout the country.

I introduced H.R. 5181 because the administration has failed to carry out its responsibilities in collecting that data and in implementing those amendments.

We learned from our oversight hearing on impact aid conducted on February 27 that the Commissioner of Education did not feel his office could fully implement those programs by July 1 this year.

Then we felt that we should get busy and delay the effective date of these amendments.

That conclusion is understandable since the Office of Education did not conduct any special surveys of school districts up until that date in order to determine the effects of those amendments.

Nor did the Office of Education assign any additional personnel to the impact aid office to assist in that task.

Nor had the administration submitted final regulations to the Congress to implement those amendments.

I drafted and introduced H.R. 5181 because of those failings of the Office of Education.

I am pleased to say that as a result of H.R. 5181 being introduced the Office of Education has finally produced some statistics and has sent final regulations on impact aid to the Congress.

But both of these things were done on Monday of this week which is less than 85 days until the new amendments are to go into effect.

We are here today to see what various witnesses have to say about these actions and about H.R. 5181.

[Text of H.R. 5181 follows:]

[H.R. 5181, 94th Cong., 1st sess.]

A BILL To amend the Education Amendments of 1974 to delay the effective date of certain amendments to the Act of September 30, 1950 (Public Law 874, Eighty-first Congress), and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 3(b) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress) is amended by striking out "July 1, 1975" and inserting "October 1, 1976".

(b) Section 304(c)(3) of the Education Amendments of 1974 is amended to read as follows:

"(3) The amendments made by this subsection shall take effect with respect to the fiscal year ending June 30, 1975, and the fiscal year ending June 30, 1976, and with respect to the period beginning July 1, 1976, and ending September 30, 1976.".

SEC. 2. (a) The paragraph which immediately follows the amendments made by section 305(a)(3) of the Education Amendments of 1974 is amended by striking out "The amendments made by paragraphs (1) and (2) of subsection (a) shall be effective on and with respect to appropriations for fiscal years beginning on and after July 1, 1975," and inserting in lieu thereof "The amendments made by paragraphs (1) and (2) of subsection (a) shall take effect on and with respect to appropriations for fiscal years beginning on and after October 1, 1976,".

(b) The first sentence of subparagraph (B) of the paragraph (2) which immediately follows the paragraph immediately following the amendments made by section 305(a)(3) of the Education Amendments of 1974 is amended by striking out "July 1, 1978" and inserting in lieu thereof "October 1, 1978".

SEC. 3. (a) The amendment made by subsection (b) shall take effect on the date of enactment of this Act with respect to appropriations for fiscal years ending prior to October 1, 1976.

(b) Section 5(c) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress) is amended to read as follows:

"(c)(1) If the sums appropriated for any fiscal year for making payments under this title are not sufficient to pay in full the total amounts which the Commissioner estimates all local educational agencies will be entitled to receive under this title for such year, the Commissioner shall—

"(A)(i) determine the part of the entitlement of each such local educational agency which is attributable to determinations under subsections (a) and (b) of section 3 of the number of children who reside on, or resided with a parent employed on, property which is part of a low-rent housing project assisted under the United States Housing Act of 1937, section 516 of the Housing Act of 1949, or part B of title III of the Economic Opportunity Act of 1964, and (ii) pay to each such local educational agency an amount which bears the same ratio to $63,000,000 of such sums as the part of the entitlement of that local educational agency determined under subclause (i) bears to the total amount of the parts of the entitlements of all the local educational agencies determined under subclause (i);

"(B) in the case where such sums are in excess of $63,000,000, shall allocate such excess, other than so much of such excess as he estimates may be required for carrying out the provisions of section 6, among sections 2, 3,

and 4(a) in the proportion that the amount he estimates to be required under each such section bears to the total estimated to be required under all such sections, except that the Commissioner shall not take into consideration any part of any entitlement determined under subclause (i) of clause (A). The amount so allocated to any such section shall be available for payment of a percentage of the amount to which each local educational agency is entitled under such section. Such percentage shall be equal to the percentage which the amount allocated to a section under this clause is of the amount to which all such agencies are entitled under such section. For the purposes of this clause, in determining the amount to which each local educational agency is entitled under section 3, the Commissioner shall include any increases under paragraph (4) of section (c) thereof, and shall exclude any part of any entitlement determined under subclause (i) of clause (A); and

"(C) in the case where the sums available for allocation under clause (B) for any fiscal year exceed the amount necessary to fully satisfy entitlements for which allocations will be made under such clause, pay to each local educational agency an amount which bears the same ratio to such excess as the part of the entitlement of that agency determined under subclause (i) of clause (A) which remains after the payments under subclause (ii) of such clause bears to the total amount of the parts of the entitlements of all the local educational agencies determined under such subclause (i) which remain after the payments under such subclause (ii).

"(2) The Commission shall determine that part of the entitlement of each local educational agency for each fiscal year which is attributable to determinations under subsections (a) and (b) of section 3 of the number of children who reside on, or resided with a parent employed on, property which is a part of a low-rent housing project assisted under the United States Housing Act of 1937, section 516 of the Housing Act of 1949, or part B of title III of the Economic Opportunity Act of 1964, and the amount of the payment to each such agency which is so determined shall be used for special programs and projects designed to meet the special educational needs of educationally deprived children from low-income families.

SEC. 4. (a) The amendment made by subsection (b) shall take effect on the date of the enactment of this Act with respect to appropriations for fiscal years ending prior to October 1, 1976.

(b) Section 3(c) of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress) is amended by adding at the end thereof the following new paragraph:

"(6)(A) The amount of the entitlement of any local educational agency under this section for any fiscal year with respect to handicapped children and children with specific learning disabilities for whom a determination is made under subsection (a)(2) or (b)(3) and for whom such local educational agency is providing a program designed to meet the special educational and related needs of such children shall be the amount determined under paragraph (1) with respect to such children for such fiscal year multiplied by 150 per centum.

"(B) For the purposes of subparagraph (A), programs designed to meet the special educational and related needs of such children shall be consistent with criteria established under subparagraph (C).

"(C) The Commissioner shall by regulation establish criteria for assuring that programs (including preschool programs) provided by local educational agencies for children with respect to whom this subparagraph applies are of sufficient size, scope, and quality (taking into consideration the special educational needs of such children) as to give reasonable promise of substantial progress toward meeting those needs, and in the implementation of such regulations the Commissioner shall consult with persons in charge of special education programs for handicapped children in the educational agency of the State in which such local educational agency is located.

"(D) For the purpose of this subparagraph the term 'handicapped children' has the same meaning as specified in section 602(1) of the Education of the Handicapped Act and the term 'children with specific learning disabilities' has the same meaning as specified in section 602(15) of such Act."

SEC. 5. The paragraph which immediately follows the amendments made by section 305(a)(3) of the Education Amendments of 1974 is amended by inserting "(b)(1)" immediately before the first sentence thereof.

Chairman PERKINS. Our first witnesses will be representatives of the impact area schools.

I want to call around at this time Dr. H. David Fish, special projects director, San Diego City schools, accompanied by Mr. Thomas Bobo, director of Federal programs, Montgomery, Ala., public schools, Mr. Sam Husk, Council of the Great Cities Schools and Mr. Frederick J. Weintraub, Council for Exceptional Children.

Come around to the table, all of you.

You start out, Dr. Fish.

[Prepared statement of H. David Fish follows:]

PREPARED STATEMENT OF DR. H. DAVID FISH, PRESIDENT-ELECT, AND DIRECTOR OF SPECIAL PROJECTS, SAN DIEGO UNIFIED SCHOOL DISTRICT

On behalf of Impact Area Schools, I want to thank you for the opportunity to appear before you today to offer comments on H.R. 5181 and its relationship to Public Law 93-380 and the Impact Aid Program.

Efforts over the years to reform the Impact Aid Program were rewarded only last year with the passage of Public Law 93-380, the Education Amendments of 1974. The rewording, however, appears to be a mixed and unknown blessing because the Amendments have brought confusion to school administrators, misinformation and unreliable data to both this Committee and the U.S. Office of Education, and concern to many on what the actual effect will be on local school districts.

The program has been extended to two major student classifications, those living in low rent housing and handicapped students from military families participating in approved programs. Neither of these groups has been completely counted before. School districts can conduct surveys next year which will supply information as accurate as the current count of federally connected students; but, it must be remembered that many districts have never reported low rent housing students and that many more districts with low rent housing have never participated in the Impact Aid Program. Guidelines have not yet been published on these categorical programs and other parts of the program as modified by P.L. 93-380, so school districts do not know how the funds can be used. Adding these important programs in FY 1976 is as much change as the program can manage at the state and federal levels.

The reform also removed or changed many minor but extremely important sections of Impact Aid. On a national scale the changes seem insignificant; however, to school districts affected the result can be financially disastrous. As an example, Section 2, a special program for districts that lost a substantial portion of their tax base to federal installations, would cost only an estimated $11 million in FY 1976; however, for the districts involved the loss of funds for next year is a major immediate problem. Also while the provisions for school districts experiencing a sudden increase in federal activity may apply only in a few limited cases, the people in those communities may really regret the disappearance of this very minor section from the program. Finally, there is some question whether early or emergency payments can be made to those heavily impacted districts which need Impact Aid funds to begin the school year. These real difficulties taken together show dislocations that may be just the most obvious problems. Other serious inequities may become apparent only when the new law goes into operation, because the data have not been developed prior to implementation.

The current acute financial condition of school districts allows no room for experimentation. Putting the law into effect and then waiting for the results to surface as fiscal problems could create terrible local situations. We do not claim that we have found all of the problem areas nor do we presume to suggest corrections at this time. The main point, we believe, is to indicate the need for the one-year delay of certain of these Amendments to allow the U.S. Office of Education to adequately advise Congress of the effects on local school districts.

The local school districts do not know how to estimate income under the new law. We have found a great amount of confusion among school administrators as they attempt to compute the amounts that will be due their districts in the coming year under the various categories as defined by P.L. 93-380. The attached data, using FY 1975 as a comparison base, was compiled from worksheets filled

in by local school districts. In a majority of cases correction adjustments had to be made because of misunderstanding of rates, authorization amount and appropriation sums as they relate to the new categories and the tier system of funding.

Some districts are enclosing letters of distress with the returned worksheets. Comments range from outright disbelief that Congress really intended so drastic a cutback to expressings of the extreme corrective action required at the local level to either replace lost funds or reduce educational programs. Many local districts are very hard pressed as the combined effects of inflation on what they purchase and recession on local tax income are forcing them into deficit positions.

The data attached to this statement was compiled with the help of the office of Education which supplied correct marking lists and adjusted local contribution rates as well as administrative guidance required to secure correct information.

School districts returned worksheets to Lance Eldred, president of the Impact Area Schools, for review and correction using FY 1975 ADA and FY 1975 local contribution rates. The total cost of education used is also FY 1975. The recap includes data received prior to April 2, 1975, and is listed by state and congressional district.

Scanning these statistics will show that the losses far outnumber gains in the "difference" column when the "New Law Tier 2" is compared to the "Old Law" present level of funding. No so-called "hold harmless provisions" have been applied as each requires a separate calculation based on additional information. In some of the cases the losses will not appear too great when compared to the total cost of education; however, in today's tight education budgets any loss of federal income will directly affect the quality of education through reductions in personnel hired and books and supplies purchased.

The column labeled "Administration 5% Reduction on T.C.E." reports the estimated reduction in Impact Aid funds if the Administration's proposal for further changes in the Impact Aid Program were to be enacted into law. We have used the last column to compare to the column labeled "New Law Tier 2" as an indication of loss to each district and have placed an asterisk next to each sum in the last column if that district is entirely eliminated from Impact Aid under the 5 per cent proposal.

We believe that we have sufficient data from the school districts to warrant support of the bill now before you. Surely the delay of one year can only show that this Congress is concerned about the orderly and non-destructive adjustment of the Impact Aid Law.

The author of the bill has seen to the protection of the new sections providing for handicapped programs and low rent housing children. The addition of these new programs should go forward; but, implementing them will take a major effort. At the present time we do not believe that the SAFA office in the Office of Education has been provided the resources to accomplish the new tasks.

Although, at first glance, it might appear that this bill is taking the most costly provision of the new and old versions of Impact Aid, we want to point out some unique features of the new law. The basic appropriation must include two of the "hold harmless" provisions—the small one relating to military base closings and the one providing for an orderly phase down or out of districts that are dependent on funding for students ineligible under the new program. At this time we are very dubious of any estimate of the cost of funding this Tier 2 and "hold harmless" combination. We know that the low rent housing statistics have been derived only from districts that have participated in the Impact Aid Program in prior years and many reporting districts in our survey have informed us that their estimates are extremely rough. Also the accounting of handicapped students and the related categorical provisions have not been made. These factors are important because any beginning miscalculations are compounded as the various "hold harmlesses" are computed. We believe that in estimating the cost of the new law we are looking up a mountain whose top cannot be seen. Unfortunately for all impact aid school districts unless enough money is appropriated to get a certain point, then they fall all the way back down to a much lower level. (Under the 93-380 provisions unless all of the second tier of payments are funded, none of it can be paid.)

School districts *cannot* afford the gamble of insufficient funding at the Tier 1 level. Even with Tier 2 funding and the 90 or 80 per cent "hold harmless" protection, most school districts will be taking income losses that will result in layoffs at a time of high unemployment. The bill before you, however, provides

even a more just compromise in that final congressional determination on the Amendments in Public Law 93-380 shall not go into effect until the Department of Health, Education, and Welfare has provided data sufficient enough for Congress to insure that its true intent regarding federal aid to these programs is accomplished.

We urge your favorable action on this proposal. Thank you for your consideration. If we can be of further assistance, we are ready to do so. Thank you.

State and school district	Congressional District	1974-75 Old law	1974-75 New law tier 2	1974-75 Difference	1974-75 Total estimated cost of education	Administration 5 percent reduction on TCE
ALABAMA						
Baldwin County	1	35,890.56	33,261.97	(2,629)	7,343,629	[1] 367,181
Pike County	2	11,318.03	12,221.35	+903	1,431,941	[1] 71,597
Troy City Schools	2	8,928.00	23,280.72	+14,353	1,564,208	[1] 78,210
Cleburne County	3	27,549.03	17,790.00	(4,759)	1,943,996	[1] 97,200
Elmore County	3	71,001.00	56,100.12	(14,901)	3,371,367	[1] 168,568
Macon County	3	119,227.00	99,082.98	(20,145)	849,313	42,465
Phenix City	3	64,888.52	63,042.90	(1,846)	3,209,652	[1] 160,483
Piedmont City	3	25,893.00	23,158.98	(2,734)	541,531	[1] 27,077
Russell County	3	75,438.21	57,618.96	(17,820)	2,024,014	[1] 101,200
Talladega County	3	66,745.73	42,584.06	(24,162)	5,233,309	[1] 261,665
Autauga County	4	162,597.00	139,368.00	(23,299)	3,558,014	[1] 177,920
Guntersville City	4	39,997.44	32,492.00	(7,505)	1,012,315	[1] 50,616
Oxford City	4	64,725.51	48,293.32	(16,433)	1,086,017	[1] 54,301
Decatur City	5	211,897.84	203,519.04	(8,379)	5,883,675	[1] 294,184
Huntsville City	5	2,314,834.21	1,957,485.10	(357,349)	17,504,663	875,233
Jackson County	5	97,960.80	43,848.98	(54,112)	3,000,000	[1] 150,000
Cullman City	7	7,274.54	13,398.52	+6,124	1,349,018	[1] 67,450
Franklin County	7	18,329.19	12,912.63	(5,417)	1,137,424	[1] 56,871
Haleyville	7	5,453.54	6,896.95	+1,443	979,739	[1] 48,987
Marion City	7	4,999.63	6,570.56	+1,571	512,181	[1] 25,609
Selma City	7	113,905.61	116,428.86	+2,523	3,291,711	[1] 164,585
Morgan County	8	100,914.97	63,406.77	(375,508)	5,400,351	[1] 270,018
ALASKA						
Alaska State operated schools	99	12,388,826.63	12,265,976.49	(122,850)	32,827,931	1,641,396
Matanuska-Susitna Borough School		135,342.34	94,169.55	(41,173)	2,019,827	[1] 100,991
Dillingham City School District		109,111.24	106,044.02	(3,067)	951,312	47,565
Ketchikan Alaska		57,664.19	47,764.34	+27,419	4,514,156	[1] 225,708
Fairbanks North Star Borough		583,126.86	427,712.66	(155,414)	13,929,662	[1] 697,483
Selawik City School District	1	[2]	[2]	[2]	[2]	[2]
Galena City School District	1	191,591.80	192,956.68	+1,365	[2]	
ARIZONA						
Chandler No. 80 Elementary	1	77,951.45	74,118.76	(3,833)	2,724,641	[1] 136,232
Chandler No. 202 High School District	1	43,955.10	40,775.06	(3,180)	2,755,289	87,764
Queen Creek Elementary District No. 95	1	2,673.58	2,291.62	(382)	387,089	[1] 19,354
4 Mason Elementary School District	1	378,431.00	338,205.00	(40,226.	14,490,246	[1] 725,512
2-7 Mason High School District	1	148,321.00	122,126.00	(26,195)	8,153,763	[1] 408,188
Flowing Wells High School	2	16,695.00	12,538.00	(4,157)	1,306,426	[1] 65,321
Casa Grande Elementary 4	2	97,478.56	88,413.77	(9,065)	2,287,175	[1] 114,359
Flowing Wells Schools	2	36,069.00	27,587.00	(8,482)	2,414,015	[1] 120,701
Sunnyside District No. 12 (high school)	2	77,857.11	60,578.00	(17,279)	2,579,742	[1] 128,987
Sunnyside District No. 12 (elementary)	2	170,344.14	134,799.15	(6,165,335)	6,129,790	[1] 306,489
Fort Huachuca Accommodation Schools	2	737,552.76	737,552.76	0	1,298,0	64,903
Parker:						
No. 27	3	370,332.24	361,190.91	(51,254)	1,025,075	51,254
No. 01	3	37,120.74	27,225.72	(9,895)	2,953,906	[1] 102,695
No. 10	3	6,201.94	4,590.37	(1,612)	1,128,661	[1] 56,433
Avondale School District No. 44	3	29,069.56	39,048.99	(9,979)	1,246,812	[1] 62,341
Flagstaff School District No. 1	3	125,119.31	119,121.46	(5,995)	4,583,233	[1] 229,162
Yuma High School	3	188,985.00	158,942.00	(30,043)	3,984,552	[1] 193,228
Litchfield Elementary School District No. 79	3	156,826.35	151,214.16	(5,612)	881,046	44,052
Yuma Elementary No. 1	3	395,635.80	357,931.80	(37,704)	72,830	253,641
Glendale Elementary School District No. 40	3	75,609.00	93,024.00	+17,415	4,869,297	[1] 243,465

See footnotes at end of table.

State and school district	Congressional District	1974-75 Old law	1974-75 New law tier 2	1974-75 Difference	1974-75 Total estimated cost of education	Administration 5 percent reduction on TCE
ARIZONA						
Valentine No. 22	3	7,142.38	7,142.38	0	32,903	1,645
Bullhead City School District No. 15	3	14,259.18	12,206.48	(3,053)	733,894	[1] 36,695
Patagonia Union High School	2	7,378.36	5,542.71	(1,836)	306,615	[1] 15,331
Snowflake Elementary School District No. 5	4	11,130.27	8,056.23	(3,074)	812,966	[1] 40,648
Payson Elementary No. 10	4	36,075.08	18,813.63	(7,261)	449,346	[1] 22,467
Winslow High School	4	30,792.83	27,698.76	(3,094)	747,271	[1] 37,364
Payson High School District No. 10 (60)	4	10,123.30	7,416.60	(2,707)	385,539	[1] 19,227
Winslow Elementary No. 1	4	38,798.50	97,563.00	(58,765)	1,110,233	55,512
Cartwright District No. 83	4	160,130.88	150,351.41	(9,779)	8,029,468	[1] 401,473
Phoenix Union High School District No. 210	1, 3, and 4	189,214.94	215,810.25	+26,595	28,960,436	[1] 1,448,022
ARKANSAS						
Stone County District 1	1	3,749.76	3,014.34	(736)	20,575	1,029
Fifty-Six	1	4,106.88	3,009.78	(1,097)	77,590	[1] 3,880
Mayflower School District No. 78	2	4,624.56	2,991.72	(1,633)	274,199	[1] 13,710
DeWitt School District No. 1	2	4,999.68	6,270.34	+1,270	622,464	[1] 31,123
North Little Rock	2	127,848.56	119,427.26	(8,422)	9,033,680	[1] 451,684
Pulaski County Special School District	2	1,270,855.26	1,166,128.19	(104,727)	15,660,957	783,048
Morrilton	2	6,071.04	8,790.71	+2,719	1,135,904	[1] 56,795
Dover School District No. 17	3	5,713.92	4,482.12	(1,232)	393,715	[1] 19,686
Booneville School District No. 65	3	4,566.03	4,321.36	(245)	617,784	[1] 30,889
No. 1	3	39,640.32	33,405.63	(6,234)	4,473,580	[1] 223,679
Ola	3	2,499.84	3,209.40	+714	226,389	[1] 11,319
Acorn No. 30	3	8,570.88	6,453.45	(2,118)	226,386	[1] 11,319
Belleville District No. 1	3	8,570.88	6,281.29	(2,290)	197,180	9,859
Sotter School District No. 60	3	3,392.64	2,486.34	(907)	208,558	[1] 10,428
Caddo Hills School District No. 28	3	13,749.12	4,444.57	9,305	370,368	[1] 18,518
Hartford	3	3,035.35	2,402.05	(633)	187,630	[1] 9,381
Greenwood	3	9,463.15	6,968.25	(2,495)	640,385	[1] 32,019
Russellville	3	19,820.16	19,245.97	(575)	3,061,924	[1] 153,096
Lavaca	3	3,928.10	2,878.70	(1,050)	306,310	[1] 15,315
Hope School District 1 A	4	7,142.00	5,407.24	(1,735)	1,556,276	[1] 77,814
Gillham School District No. 47	4	4,410.90	3,102.21	(1,309)	196,355	[1] 9,818
Texarkana School No. 7	4	108,028.80	22,050.93	(85,978)	3,514,679	[1] 175,734
Bright Star No. 6	4	49,996.80	0.00	(49,997)	210,074	[1] 10,504
Cabot Public School District No. 4	4	45,354.24	33,667.49	(11,687)	1,421,098	7,155
Camden District No. 35	4	1,767.75	20,385.53	18,618	1,785,091	[1] 89,255
Arkadelphia	4	8,749.44	9,567.80	+819	1,480,733	[1] 74,036
Wabbaseka	4	2,321.28	1,701.18	(620)	332,831	[1] 16,641
Gillett No. 66	6	4,310.94	3,983.12	(328)	326,315	[1] 16,316
CALIFORNIA						
Cotati-Rohmert Park	1	23,095.67	15,552.64	(7,543)	1,957,866	[1] 97,893
Ferndale	1	15,049.95	14,539.75	(510)	314,078	[1] 15,704
Klamath Trinity Unified School District	1	251,634.63	279,996.94	+28,362	1,990,759	99,538
Old Adobe Union	1	23,927.04	15,998.53	(7,928)	2,035,557	[1] 101,779
Burnt Ranch	2	3,255.08	2,663.08	(602)	56,656	2,833
Butte Valley Unified School District	2	16,281.44	4,963.27	(11,318)	478,689	[1] 23,934
Coffee Creek	2	4,004.82	3,340.32	(665)	37,405	1,920
El Dorado Union High	2	62,343.24	43,024.97	(19,318)	3,249,754	[1] 162,488
Fall River Joint Unified	2	43,289.38	33,776.68	(9,512)	1,988,381	[1] 99,419
Hayfork Valley Union	2	19,309.95	14,759.55	(4,550)	442,600	[1] 21,130
Hyampom	2	5,254.59	4,256.34	(999)	67,769	3,388
Junction City	2	2,627.37	2,128.17	(499)	43,193	[1] 2,160
Lake Tahoe Unified School District	2	29,137.44	22,674.01	(6,463)	4,328,678	[1] 216,434
Lassen Union high School District	2	91,602.82	71,883.55	(19,719)	1,116,198	55,810
Lewiston	2	4,361.94	3,602.04	(760)	105,164	[1] 5,258
Mad River	2	20,483.28	16,632.78	(3,850)	207,523	10,376
Modoc Joint Unified	2	21,708.00	16,017.00	(5,691)	1,336,411	[1] 66,821
Mother Lode Union	2	7,353.10	5,433.19	(1,920)	792,425	[1] 39,621
Placer County Office of Education	2	3,749.76	2,748.06	(1,002)	913,916	[1] 45,696

See footnotes at end of table.

State and school district	Congressional District	1974-75 Old law	1974-75 New law tier 2	1974-75 Difference	Total estimated cost of education	Administration 5 percent reduction on TCE
CALIFORNIA—Continued						
Placerville Union	2	12,677.76	9,424.20	(3,254)	953,777	[1] 47,689
Roseville City School District	2	50,391.42	32,319.43	(18,072)	2,402,028	[1] 123,101
Shasta Lake Union School District.	2	27,370.56	23,912.19	(3,459)	1,130,810	[1] 56,241
Soulsbyville	2	7,251.32	5,358.60	(1,892)	195,570	[1] 9,778
Susanville School District	2	31,120.44	23,778.95	(7,341)	982,179	[1] 49,108
Tahoe Truckee Unified School District	2	25,937.09	19,999.48	(5,938)	3,443,203	[1] 172,160
Trinity County Joint Unified High School	2	47,390.95	40,821.46	(6,570)	1,491,741	[1] 74,588
Tulelake Basin Joint Unified	2	15,611.03	11,047.09	(4,564)	780,567	[1] 39,028
Weaverville Elementary	2	21,376.11	16,814.21	(4,562)	743,665	[1] 37,183
Yreka Union	2	12,186.72	9,033.37	(3,148)	989,650	[1] 49,483
Rio Linda Union Elementary School District	3	587,276.14	473,966.59	(113,309)	8,436,355	421,818
San Juan Unified	3	1,210,760.58	922,449.31	(288,311)	53,713,573	[1] 2,685,679
Dixon Unified School District	4	26,561.04	21,264.31	(5,297)	2,062,298	[1] 103,115
Marysville Joint Unified	4	242,372.00	191,160.00	(51,212)	8,371,939	[1] 418,597
Solano County Community College.	4	65,466.00	53,088.00	(12,378)	4,578,150	[1] 228,908
Wheatland Elementary	4	838,923.24	835,402.75	(3,520)	2,520,699	126,035
Willow Unified	4	26,308.32	19,531.74	(6,776)	1,508,420	[1] 75,421
Novato Unified	6	925,329.00	876,771.00	(48,558)	9,773,382	488,669
Reed Union	6	11,555.37	8,261.32	(3,294)	2,452,538	[1] 122,627
Shoreline Unified	6	25,902.56	100,948.17	(149,955)	1,335,000	67,750
Tamalpais Unified High School	6	50,813.86	37,961.40	(12,853)	10,154,053	[1] 507,703
Alameda Unified School District	8	1,290,161.09	1,233,192.70	(56,968)	12,815,522	640,776
Murray Elementary	8	73,637.61	55,872.76	(17,765)	5,696,757	[1] 284,838
San Lorenzo Unified School Districts.	8	147,713.67	109,631.58	(38,082)	13,425,158	[1] 671,258
Milpitas Unified School District	9	165,144.33	132,557.22	(32,587)	11,279,927	[1] 563,996
Loma Prieta Joint Union	10	17,294.15	15,113.69	(2,180)	555,455	[1] 27,773
Los Altos School District	10	24,105.60	17,843.62	(6,262)	5,797,622	[1] 289,881
Brisbane	11	4,601.13	2,965.01	(1,636)	1,035,844	[1] 51,792
South San Francisco Unified School District.	11	91,784.00	63,196.00	(28,588)	16,032,623	[1] 801,831
Carmel Unified School District	12	99,540.02	80,362.04	(19,178)	4,861,108	[1] 243,055
Cayucos Elementary	12	3,450.49	2,957.54	(492)	265,198	[1] 13,260
Monterey Peninsula Community College.	12	27,729.63	23,817.84	(3,912)	4,894,877	[1] 244,744
Monterey Peninsula Unified School District.	12	3,636,355.05	3,475,714.30	(160,641)	17,928,007	896,400
North Monterey County Union	12	37,747.58	30,792.70	(6,955)	929,350	[1] 46,468
Santa Rita Union School District	12	17,938.85	14,406.75	(3,532)	1,329,623	[1] 66,481
Allan Hancock Joint Community College District.	13	107,328.00	85,275.00	(22,053)	5,345,563	[1] 267,278
Fillmore Unified School District	13	21,595.00	16,599.00	(4,996)	255,374	12,769
Moorpark Union School District	13	10,535.05	7,490.68	(3,044)	969,761	[1] 48,488
Ojai Unified School District	13	42,008.97	31,170.39	(10,839)	3,449,375	[1] 172,469
Orcutt Union	13	160,704.00	119,105.40	(41,599)	3,290,820	[1] 164,541
Santa Maria Joint Union High	13	243,316.36	183,644.04	(60,272)	5,656,726	282,836
Santa Paula Union High School	13	19,227.58	14,090.81	(5,137)	1,640,094	[1] 82,008
Ventura County superintendant of schools.	13	57,625.64	46,596.89	(11,029)	1,679,571	[1] 83,979
Ventura Unified School District	13	322,555.00	276,892.00	(55,663)	18,072,856	[1] 903,643
Walnut Creek	14	33,673.27	21,876.50	(11,796)	4,487,768	[1] 224,388
Folsom Cordova Unified	15	1,388,040.01	1,273,039.37	(115,001)	11,558,058	577,903
Lodi Unified	15	85,142.00	63,605.00	(21,537)	9,531,778	[1] 476,589
Manteca Unified	15	205,698.31	166,016.10	(39,682)	6,754,870	[1] 337,744
Atwater	16	739,848.98	701,482.52	(38,366)	3,052,744	152,637
Big Creek Elementary	16	43,627.76	42,254.67	(1,373)	394,112	19,706
Chawanakee Elementary	16	17,855.95	17,855.95	0	113,792	5,690
Bishop Union High School	18	89,237.92	81,238.21	(8,000)	1,039,795	51,990
Death Valley Unified School District.	18	17,813.84	15,676.08	(2,138)	296,133	14,807
Invingston Union School District	18	2,965.70	7,460.97	+4,495	980,062	[1] 49,003
Mariposa County Unified School District.	18	171,050.98	144,230.40	(26,821)	1,668,561	83,428
Round Valley Elementary	18	14,999.04	10,992.24	(4,007)	204,360	10,218
Three Rivers Union	18	16,452.99	14,084.40	(2,369)	172,537	8,627
Twain Harte-Long Barn Union	18	6,785.28	5,150.20	(1,635)	447,287	[1] 22,364
Visalia Unified	18	8,938.80	34,792.26	+25,853	13,344,707	[1] 667,235
LaCanada Unified	23	124,440.94	93,394.98	(31,046)	4,945,082	[1] 247,254
Antelope Valley Community College.	24	58,090.50	37,460.54	(20,630)	2,397,504	[1] 119,875
Antelope Valley Union High	24	584,687.75	429,362.40	(155,326)	9,696,140	[1] 484,807
Keppel Union	24	20,616.50	15,036.74	(5,580)	939,399	[1] 46,970

See footnotes at end of table.

State and school district	Congressional District	1974-75 Old law	1974-75 New law tier 2	1974-75 Difference	Total estimated cost of education	Administration 5 percent reduction on TCE
CALIFORNIA—Continued						
Lancaster	24	426,292.36	313,939.19	(112,353)	5,389,093	269,454
Westside Union	24	51,068.16	35,083.78	(15,984)	2,116,123	[1] 105,806
Hueneme	27	569,654.85	507,302.86	(62,352)	6,482,385	324,119
Ocean View	27	372,893.48	362,384.67	(10,498)	1,885,686	94,284
Oxnard School District	27	240,341.76	226,565.45	(13,777)	9,754,468	[1] 487,723
Oxnard Union High School District.	27	844,060.00	691,807.00	(152,253)	18,265,533	[1] 913,277
Adelanto School District	33	651,222.19	646,680.99	(4,541)	1,520,801	76,040
Apple Valley	33	36,604.80	31,330.87	(5,274)	1,158,692	[1] 57,935
Barstow Unified	33	723,706.74	650,518.37	(73,189)	9,598,291	479,915
Claremont Unified	33	94,789.00	69,507.00	(25,282)	7,300,474	[1] 365,024
Rim of the World Unified	33	34,225.11	26,447.90	(7,777)	3,819,736	[1] 190,987
Upland School District	33	44,691.00	33,022.60	(11,668)	4,896,404	[1] 244,820
Victor	33	80,259.14	64,399.82	(15,859)	1,676,215	[1] 83,811
Armona Union Elementary	36	19,105.92	16,644.21	(2,462)	385,000	[1] 19,250
Bakersfield City School District	36	22,432.49	34,054.09	+11,622	18,100,331	[1] 905,017
Central Union Elementary	36	760,127.82	757,564.25	(2,564)	2,130,300	106,965
Kern County Superintendent of Schools.	36	53,066.20	52,849.41	(217)	4,255,803	[1] 212,790
Kern Community College District.	39	120,728.00	105,061.00	(15,667)	9,102,291	[1] 455,115
Kernville Union	36	10,551.69	8,198.67	(2,353)	528,430	[1] 26,422
Lemoore Elementary	36	269,776.76	214,190.08	(55,587)	1,310,808	65,540
Lemoore Union High	36	322,550.83	301,922.79	(20,628)	2,149,489	107,474
Lucia Mar Unified	36	45,811.35	28,704.03	(17,107)	6,485,583	[1] 324,279
Mojave Unified S.D	36	49,914.76	37,271.97	(12,642)	2,514,500	[1] 125,725
Muroc Unified	36	1,550,923.00	1,535,666.00	(15,257)	3,853,508	192,675
Southern Kern Unified	36	64,135.89	46,558.29	(17,578)	1,143,749	[1] 57,187
Tehachapi Unified	36	24,073.54	17,106.32	(6,968)	2,418,382	[1] 120,919
Coronado Unified	40	596,730.58	560,055.10	(36,676)	3,412,888	170,644
Grossmont Union High School District.	40	622,873.96	488,812.22	(134,062)	29,322,654	[1] 1,466,133
Chula Vista City	41	1,206,533.50	992,797.37	(213,737)	13,495,630	674,782
Jamul-Las Flores Union	41	11,606.40	8,883.13	(2,723)	426,931	[1] 21,347
La Mesa-Spring Valley	41	348,013.14	279,984.64	(68,028)	12,678,724	[1] 633,936
Lemon Grove	41	134,940.33	109,113.08	(25,827)	3,455,672	[1] 172,784
National School District	41	239,628.00	195,497.00	(44,131)	5,229,786	[1] 261,489
South Bay Union	41	576,034.53	482,820.51	(93,214)	4,742,308	237,115
Sweetwater Community College District.	41	119,654.02	93,401.32	(26,253)	6,702,644	[1] 335,132
Sweetwater Unified High School District.	41	1,115,003.00	888,775.60	(226,228)	14,784,210	739,211
Lakeside Unified School District	42	83,719.05	68,252.22	(15,467)	3,460,938	[1] 173,047
Oceanside Unified	42	1,466,096.00	1,345,873.00	(120,223)	11,704,931	585,247
Poway Unified	42	666,388.00	548,839.00	(117,549)	10,468,046	523,402
Moreno Valley Unified	43	992,083.00	929,071.00	(63,012)	5,591,456	279,573
Palm Spring Unified	43	55,728.05	137,354.80	+81,627	8,981,610	[1] 449,091
San Jacinto Unified	43	31,544.39	46,400.43	+14,746	1,980,684	[1] 99,034
San Pasqual Valley Unified	43	192,515.33	181,007.92	(11,493)	723,273	36,164
Temecula Union School District	43	10,175.35	9,834.54	(341)	316,132	[1] 15,907
Warner Union School District	43	20,365.50	19,991.83	(374)	69,326	3,466
Elk Grove Unified	138	133,864.41	137,477.67	(46,387)	9,613,512	[1] 480,676
Grant Joint Union High	138	624,979.16	454,517.75	(170,461)	15,747,414	[1] 787,371
Sacramento City Unified School District.	138	760,947.28	589,714.76	(171,233)	56,600,016	[1] 2,830,000
San Francisco Community College District.	139	49,453.61	42,871.75	(6,582)	17,111,825	[1] 855,591
Bonita Unified	146	52,247.29	38,920.04	(13,327)	7,525,680	[1] 376,284
Amador Valley Joint Union High	153	134,243.77	101,305.46	(32,939)	5,572,813	[1] 287,641
Hayward Unified	153	250,957.00	189,174.00	(61,783)	24,167,359	[1] 1,208,368
Pleasanton Joint School District	153	102,125.00	79,526.39	(22,599)	5,098,064	[1] 254,903
Oakland Unified	154	812,154.20	878,335.21	+66,181	80,890,113	[1] 4,044,506
Peralta Community College	154	121,724.28	95,797.54	(25,927)	21,479,000	[1] 1,073,950
Lafayette School District	172	16,631.75	10,876.44	(5,757)	4,513,109	[1] 225,655
Moraga	172	17,141.76	11,864.73	(5,277)	2,708,981	[1] 135,449
Richmond Unified S.D	172	401,734.44	285,210.34	(116,524)	46,741,252	[1] 2,337,063
Manhattan Beach City	174	24,857.34	19,059.73	(5,798)	4,865,152	[1] 243,258
Los Angeles Community College District.	179	96,360.34	71,142.09	(25,218)	70,378,733	[1] 3,518,937
Merced City S.D	181	141,776.64	133,703.76	(8,073)	5,854,301	[1] 292,715
Merced Community College District	181	34,319.73	29,484.83	(4,835)	3,817,098	[1] 190,855
Anaheim Union High School	182	253,828.00	180,722.00	(72,306)	38,045,404	[1] 1,902,270
Santa Ana Unified School	182	214,308.00	168,988.00	(45,320)	30,788,604	[1] 1,539,430
Savanna School District	182	11,286.78	8,493.56	(2,793)	2,291,943	[1] 114,597
Fountain Valley School District	183	90,603.12	63,496.35	(27,107)	10,213,933	[1] 510,697

See footnotes at end of table.

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State and school district	Congressional District	1974-75 Old law	1974-75 New law tier 2	1974-75 Difference	1974-75 Total estimated cost of education	Administration 5 percent reduction on TCE
CALIFORNIA—Continued						
Huntington Beach City	183	38, 820. 74	28, 309. 40	(10, 511)	1, 559, 863	1 77, 993
Los Alamitos	183	134, 429. 22	124, 920. 68	(9, 503)	3, 686, 142	1 184, 307
Westminster School District	183	177, 971. 72	137, 490. 23	(40, 481)	9, 443, 670	1 472, 183
Irvine Unified School District	185	134, 197. 00	96, 268. 00	(37, 929)	28, 516, 040	1 1, 425, 802
Capistrano Unified School District.	186	113, 501. 04	89, 443. 60	(24, 057)	11, 316, 128	1 565, 806
Irvine Unified School District	186	723, 981. 00	710, 453. 00	(13, 528)	7, 984, 531	399, 227
Riverside Unified School District.	189	389, 000. 00	295, 196. 00	(93, 804)	24, 863. 199	1 1, 243, 160
Ontario-Montclair Elementary	190	63, 210. 24	47, 322. 99	(15, 887)	13, 909, 575	1 695, 479
Redlands Unified School District.	190	254, 979. 00	201, 753. 00	(53, 226)	11, 213, 860	1 560, 693
San Bernardino City Unified School District.	190	1, 058, 418. 00	898, 055. 00	(160, 363)	33, 896, 610	1 1, 694, 830
San Mateo City	191	107, 645. 87	109, 935. 13	+2, 289	15, 337, 721	1 766, 886
Cupertino Union	193	182, 843. 65	138, 647. 19	(44, 196)	22, 004, 305	1 1, 100, 215
Mountain View School District	193	201, 817. 33	185, 952. 87	(15, 864)	118, 620	5, 931
Mountain View-Los Altos Union High.	193	105, 652. 55	85, 841. 39	(19, 811)	7, 436, 181	1 371, 809
Palo Alto Unified School District.	193	132, 741. 18	90, 641. 58	(42, 100)	26, 800, 330	1 1, 340, 016
Whisman	193	208, 514. 20	205, 688. 07	(2, 426)	3, 568, 360	178, 418
Fremont Union High School District.	194	231, 649. 00	170, 467. 00	(61, 182)	19, 470, 392	1 973, 520
Sunnyvale	194	123, 721. 52	101, 347. 24	(22, 274)	9, 794, 390	1 489, 719
Escondido Union High School	207	126, 315. 46	100, 604. 34	(25, 711)	6, 760, 241	1 338, 012
Fallbrook Union	207	384, 334. 86	368, 622. 01	(15, 713)	2, 779, 507	138, 975
Fallbrook Union High	207	201, 999. 00	184, 385. 76	(17, 613)	2, 078, 869	103, 943
San Diego Unified School District.	209	8, 437, 000. 00	7, 585, 691. 00	(851, 309)	118, 736, 217	5, 936, 811
Cox Bar	2	4, 387. 44	3, 755. 84	(631)	(2)	(2)
Mineral	2	4, 489. 47	3, 898. 17	(591)	(2)	(2)
Sierra Sands Unified	18	2, 030, 394. 00	1, 866, 012. 00	(164, 382)	(2)	(2)
Seal Beach	34	10, 535. 00	8, 936. 52	(1, 596)	(2)	(2)
COLORADO						
Adams-Araphoe 28-J	2	1, 004, 835. 04	801, 157. 85	(203, 677)	19, 997, 000	1 999, 850
Adams County, Mapleton Public	2	55, 760. 95	42, 916. 80	(12, 844)	7, 629, 795	1 381, 490
Boca County Re-6	3	2, 913. 53	2, 133. 02	(778)	277, 010	1 13, 851
Delta 50-J	3	70, 843. 61	52, 719. 76	(18, 124)	3, 732, 981	1 186, 649
East Otero	3	70, 352. 54	23, 568. 34	(46, 785)	2, 379, 832	1 118, 992
El Paso County No. 3	3	632, 727. 46	516, 969. 51	(115, 758)	6, 850, 882	342, 544
Fountain-Fort Carson, El Paso County No. 8.	3	1, 154, 457. 29	1, 131, 758. 19	(22, 699)	3, 249, 565	162, 478
Gunnison Watershed	3	42, 621. 80	31, 798. 71	(10, 822)	1, 397, 685	1 69, 884
Harrison	3	28, 569. 60	23, 769. 76	(4, 800)	5, 544, 251	1 277, 213
Kim	3	9, 986. 13	7, 318. 41	(2, 668)	287, 946	1 14, 397
Mancos	3	19, 998. 69	13, 363. 72	(6, 635)	350, 000	1 17, 500
Montezuma-Cortez	3	304, 723. 55	252, 370. 61	(52, 353)	3, 102, 568	155, 128
Montrose	3	249, 498. 65	248, 911. 92	(587)	4, 272, 964	1 213, 648
Park County	3	7, 261. 78	5, 253. 16	(2, 009)	604, 325	1 30, 216
Trindad	3	13, 392. 00	16, 468. 17	+3, 076	2, 028, 498	101, 424
West End RE-2	3	50, 945. 32	29, 098. 02	(21, 847)	1, 062, 474	1 53, 124
Adams County No. 50	4	171, 213. 53	107, 510. 94	(63, 703)	13, 356, 022	1 667, 801
Cheyenne Mountain No. 12	4	75, 306. 00	60, 524. 00	(14, 782)	2, 600, 000	1 130, 000
Roaring Fork	4	86, 257. 18	63, 454. 52	(22, 802)	2, 297, 000	1 114, 850
Adams County No. 12	5	177, 960. 10	118, 748. 19	(58, 312)	15, 244, 481	1 762, 224
Air Academy	5	881, 917. 00	847, 710. 00	(34, 207)	4, 430, 675	221, 534
Big Sandy 100-J	5	3, 105. 91	2, 209. 27	(897)	351, 241	1 17, 562
Elizabeth C-1	5	707. 70	707. 70	0	338, 790	1 16, 940
CONNECTICUT						
Ledyard Public Schools	2	294, 227. 82	241, 709. 85	(52, 518)	11, 591, 962	179, 598
Croton	2	1, 614, 614. 00	1, 570, 544. 01	(42, 270)	10, 349, 798	517, 490
Waterford	2	180, 425. 68	137, 742. 23	(42, 684)	4, 668, 243	1 233, 412
Town of East Lyme Bd. of Education.	2	137, 933. 40	104, 846. 45	(33, 087)	3, 660, 578	1 183, 029
Norwich	2	84, 905. 00	63, 004. 90	(21, 901)	5, 140, 916	1 262, 046
Voluntown	2	13, 506. 85	11, 577. 30	(1, 930)	338, 271	1 16, 914
New London Public Schools	2	93, 360. 62	85, 434. 75	(7, 926)	5, 565, 668	1 278, 233
Stratford School District	3	155, 215. 32	113, 767. 79	(41, 448)	11, 184, 774	1 559, 239
City of West Haven	3	140, 489. 00	297, 602. 00	157, 113	10, 359, 143	1 517, 957
Trumbull Board of Education	5	33, 950. 42	24, 954. 86	(8, 995)	9, 302, 347	1 465, 117
Waterbury	5	10, 806, 308. 10	10, 327, 759. 26	(478, 549)	20, 480, 674	1, 024, 034
Oxford	5	9, 822. 53	5, 949. 73	(3, 873)	1, 215, 781	1 60, 789
Windsor Locks	6	29, 404. 89	23, 407. 25	(5, 997)	3, 907, 570	1 195, 378
North Stonington	2	0	0	0	1, 054, 826	1 52, 741

See footnotes at end of table.

State and school district	Congressional District	1974-75				Administration 5 percent reduction on ICE
		Old law	New law tier 2	Difference	Total estimated cost of education	
DELAWARE						
Caesar Rodney	157	120,520.80	130,201.10	(17,220)	4,770,000	23,500
Cape Henlopen	157	27,184.82	24,699.94	(2,485)	3,767,150	¹188,358
FLORIDA						
Escambia County Board of Public Instruction	1	2,050,324.38	1,769,458.30	(280,966)	45,413,256	¹2,270,662
Santa Rosa	1	459,969.00	393,056.00	(66,913)	9,634,339	¹481,717
School Board of Okaloosa County	1	3,122,268.36	2,810,537.74	(311,731)	21,356,527	1,067,126
Holmes	137	14,073.30	4,733.66	(9,340)	2,508,930	¹125,446
Union	2	2,856.96	4,128.44	+1,272	1,368,656	¹68,432
Clay	4	739,187.38	607,855.50	(131,332)	8,709,216	435,460
Orange County	205	918,509.79	863,490.08	+55,019	74,560,903	¹3,728,045
Hillsborough	154	1,377,075.18	1,459,399.48	+82,324	83,174,279	¹4,158,713
Dade	204	488,063.99	1,666,591.73	+1,178,528	279,041,122	¹13,952,056
GEORGIA						
Reidsville	1	21,427.20	15,346.97	(6,081)	2,014,142	¹100,707
City of Savannah	1	254,472.69	370,019.30	+115,547	27,386,722	¹1,369,336
Lanier County	2	21,248.64	14,634.25	(6,614)	724,504	¹36,225
Worth County	2	30,534.00	24,728.00	(5,806)	1,135,088	¹56,754
Mitchell	2	11,963.52	22,323.44	+10,360	1,723,993	¹86,199
Colquitt County	2	2,242,961.87	1,476,941.46	(766,020)	5,013,865	250,693
Dooly County	3	29,283.84	21,414.91	(7,869)	1,682,461	¹84,123
Peach County	3	134,634.24	90,639.60	(43,995)	2,286,305	¹114,315
Houston County	3	1,558,289.00	1,259,132.00	(299,157)	11,369,655	568,482
Clay County	3	3,077.66	3,355.30	+278	699,043	¹34,952
Muscogee County	3	1,198,341.54	1,044,527.60	(153,814)	25,849,882	¹1,292,491
Atlanta Public Schools	4	306,026.16	1,041,925.57	+735,899	100,598,566	¹5,029,928
Decatur City Schools	4	16,283.75	10,229.73	(6,054)	3,825,988	¹191,299
Clayton County	6	346,012.84	264,430.26	(83,582)	17,193,393	¹859,669
Jasper County	6	7,499.52	6,937.45	(562)	1,022,193	¹51,109
Douglas County	7	52,496.64	45,293.71	(7,203)	6,799,412	¹399,970
Bleckley County Schools	8	32,497.92	19,685.12	(12,812)	708,073	¹35,403
Bibb County	8	549,219.80	414,748.42	(134,471)	24,206,819	¹1,210,340
Cochran City	8	39,283.20	24,444.16	(14,839)	785,952	¹39,297
Educational Services District 13	8	36,484.90	24,091.20	(12,393)	962,003	¹48,100
Richmond County	10	1,181,349.57	1,150,228.37	(31,121.9)	25,863,283	¹1,293,164
IDAHO						
Mountain Home School Dstrict 193	1	919,634.49	887,399.95	(32,235)	2,616,700	130,835
Ut School District Nos. 3, 4	1	50,199.69	35,899.70	(14,300)	470,929	23,546
No. 341	1	71,620.42	58,782.91	(12,838)	631,000	31,550
No. 71	1	13,107.39	9,181.11	(3,925)	145,000	7,250
Bonner County District No. 82	1	70,954.50	48,365.11	(22,589)	2,500,000	¹125,000
Western Benewah No. 42	1	27,343.37	23,783.01	(3,560)	325,000	16,250
McCall-Donnelly School District 421	1	30,712.32	22,066.37	(8,646)	577,535	¹28,877
271—Coeur d'Alene	1	49,749.82	37,233.74	(12,513)	3,539,800	¹176,990
Joint District No. 171	1	69,145.79	51,495.33	(17,650)	1,700,000	¹85,000
Horseshoe Bend School District 73	1	7,499.52	5,496.12	(2,003)	148,500	¹7,425
Lewiston Independent No. 1	1	62,853.12	28,255.42	(34,598)	3,750,000	¹187,500
Joint School District No. 241	1	2,724,807.29	2,450,737.13	(274,070)	1,400,000	70,000
Independent School District of Boise	137	331,177.74	270,512.38	(60,665)	17,000,000	¹850,000
Blackfoot District No. 55	2	311,993.70	268,351.94	(43,642)	2,492,888	124,644
Shoshone Joint School District 312	2	5,795.26	4,247.00	(1,548)	315,000	¹15,750
Shelley No. 60	2	33,383.93	20,221.81	(13,162)	1,008,799	¹50,440
Firth, No. 59	2	13,715.19	8,307.77	(5,407)	495,000	¹24,750
Wendell School District No 232	2	3,877.15	2,885.15	(992)	455,000	¹22,750
Blaine County Schools No. 61	2	24,823.05	21,276.70	(3,546)	1,219,874	¹60,994
Idaho Falls School District 91	2	355,752.22	261,807.58	(93,945)	6,318,842	¹315,942
Cascade School District No. 422	2	17,830.47	13,846.63	(3,984)	235,000	11,750

See footnotes at end of table.

State and school district	Congressional District	1974-75 Old law	1974-75 New law tier 2	1974-75 Difference	1974-75 Total estimated cost of education	Administration 5 percent reduction on TCE
ILLINOIS						
Township High School No. 113	12	86, 749. 22	83, 420. 72	(3, 329)	9, 077, 853	453, 883
Spaulding Grade School District 58	13	7, 918. 35	5, 957. 16	(1, 961)	698, 606	34, 930
Waukegan Community Unit District 60	13	363, 193. 48	284, 493. 78	(78, 700)	9, 705, 601	985, 280
Curnee Public Schools No. 56	13	6, 204. 90	4, 648. 20	(1, 557)	743, 341	37, 167
Warren Township High School District 121	13	20, 032. 11	15, 027. 04	(5, 005)	1, 904, 639	95, 232
Zion Elementary Schools	13	63, 081. 77	48, 880. 53	(14, 201)	2, 622, 277	131, 114
Antioch High School 117	13	15, 750. 00	11, 775. 60	(3, 974)	2, 454, 160	122, 708
North Chicago No. 64	13	1, 167, 497. 00	1, 160, 820. 00	(6, 677)	5, 212, 175	260, 609
No. 126 Zion Benton T.H.S.	13	39, 660. 00	30, 256. 36	(9, 404)	3, 814, 281	190, 714
No. 116 Round Lake Community Unit	13	28, 925. 85	23, 188. 79	(5, 737)	3, 775, 054	188, 753
Kaneland Community Unit School District No. 302	13	24, 748. 75	7, 954. 42	(16, 794)	2, 093, 917	104, 696
Downers Grove District No. 58	14	50, 752. 17	35, 235. 47	(15, 517)	6, 554, 825	327, 741
Downers Grove District No. 99	14	33, 297. 65	23, 325. 01	(9, 973)	5, 776, 060	288, 803
101	15	3, 077. 63	1, 864. 17	(1, 213)	1, 397, 000	69, 850
Paxton Community Unit School District	15	61, 840. 31	42, 293. 79	(19, 547)	1, 500, 000	75, 000
Gardner-South Wilmington High School	15	3, 462. 16	2, 097. 18	(1, 365)	312, 746	15, 637
Hanover Community Unit School District No. 212	6	48, 011. 24	35, 185. 50	(12, 825)	530, 523	26, 526
208 Elizabeth Community Unit	16	13, 414. 70	9, 831. 05	(3, 584)	397, 092	19, 855
Wilmington Community Unit School District	17	44, 700. 00	37, 063. 50	(7, 637)	1, 984, 500	99, 225
Elwood C.C. No. 203	17	14, 819. 40	14, 241. 20	(578)	213, 704	10, 685
Buckley-Loda Unit 8	17	15, 377. 45	9, 651. 16	(5, 726)	159, 863	7, 993
Lincoln-Way Community High School	17	7, 118. 26	4, 688. 26	(2, 430)	2, 516, 688	125, 834
Braidwood Community Consolidated School District 5C	17	6, 660. 56	4, 836. 51	(1, 824)	393, 640	19, 682
No. 30 United Township High School	19	35, 152. 59	26, 528. 90	(9, 624)	4, 275, 777	213, 689
Orion Consolidated Unified No. 223	19	19, 733. 65	6, 342. 86	(13, 391)	678, 933	33, 947
Rock Island School District No. 41	19	138, 881. 17	136, 104. 87	(2, 776)	11, 546, 969	577, 348
Community Consolidated School District 130	21	10, 192. 09	8, 193. 36	(1, 999)	248, 301	12, 415
Mundelein High School	210	15, 098. 59	10, 564. 91	(4, 534)	2, 029, 250	101, 463
Rantoul Township High School, District 193	21	450, 109. 75	419, 701. 17	(30, 409)	1, 824, 235	91, 212
Westville Community Unit District No. 2	22	8, 287. 58	11, 168. 28	+2, 881	1, 738, 630	86, 932
Community Consolidated	23	15, 069. 03	8, 047. 23	(7, 022)	1, 116, 212	55, 810
O'Fallon Township High No. 203	23	105, 000. 00	73, 856. 00	(31, 144)	1, 268, 600	63, 430
Lebanon Community Unit No. 9	23	48, 501. 63	37, 939. 56	(10, 562)	1, 273, 750	63, 688
Mascoutah Community Unit School District 19	23	1, 381, 731. 21	1, 362, 644. 56	(19, 087)	4, 600, 000	230, 000
Triad Community Unit School District No. 2	23	19, 619. 89	7, 220. 15	(12, 400)	1, 993, 410	99, 671
Central School District 104	23	7, 032. 06	4, 935. 45	(2, 097)	277, 271	13, 864
O'Fallon Community Consolidated School District 90	23	106, 717. 00	83, 492. 00	(23, 225)	1, 703, 892	85, 195
Belleville Township High School District 201	23	111, 067. 71	60, 154. 55	(50, 913)	6, 798, 050	339, 903
Harmony, Emerged District No. 175	23	8, 458. 93	2, 618. 86	(5, 840)	1, 280, 000	64, 000
Community Unit School District No. 2	24	71, 389. 56	57, 817. 00	(13, 753)	3, 860, 000	193, 500
Wesclin Community Unit No. 3	24	59, 473. 15	41, 511. 76	(17, 961)	1, 468, 888	73, 444
Albers Elementary District 63	24	18, 955. 98	9, 243. 20	(9, 713)	162, 762	8, 138
462 Damiansville Elementary	24	3, 451. 99	2, 090. 92	(1, 361)	147, 125	7, 356
Carbondale Elementary	24	8, 879. 35	20, 089. 16	+11, 210	2, 445, 803	122, 292
Bantelso Elementary School District No. 57	24	2, 706. 85	1, 713. 27	(994)	190, 450	9, 523
Germantown Elementary District No. 60	24	13, 236. 80	7, 076. 85	(6, 160)	211, 387	10, 569
Libertyville Public School No. 70	210	15, 826. 50	11, 936. 47	(3, 890)	2, 597, 938	129, 897
Zeisler-Royalton Consolidated Unified No. 188	24	4, 612. 31	2, 975. 74	(1, 637)	736, 960	36, 835

See footnotes at end of table.

State and school district	Congressional District	1974-75 Old law	1974-75 New law tier 2	1974-75 Difference	Total estimated cost of education	Administration 5 percent reduction on ICE
INDIANA						
Springs Valley Community School	3 C 1	15,550.79	9,419.65	(6,131)	297,229	$ 39,861
Maconaquah School Corp	5	620,400.08	607,770.44	(12,630)	3,254,561	167,757
Mississinewa Community	5	30,712.32	22,507.92	(8,204)	2,165,283	$ 108,264
Eastbrook Community Schools Corp.	5	12,549.20	9,233.48	(3,316)	1,510,953	$ 75,548
Covington Community School Corp.	7	8,035.20	1,108.11	(6,927)	920,199	$ 46,010
Mitchell Community Schools	8	31,319.42	18,971.26	(12,348)	1,329,439	$ 66,472
Orleans Community Schools	8	6,476.37	3,922.96	(2,553)	539,980	$ 26,999
North Lawrence Community School	3	95,995.11	59,507.94	(36,487)	4,554,008	$ 227,700
New Albany-Floyd County	9	123,277.76	51,939.47	(72,279)	9,134,957	$ 456,748
West Washington	9	4,106.88	1,883.61	(2,223)	772,005	$ 38,600
Scott Community School District No. 2	9	28,191.04	16,042.32	(12,349)	1,916,604	$ 95,830
Southwestern School Corp	9	17,472.10	10,674.14	(6,798	859,331	$ 42,967
Mount Vernon Community Schools Corp.	10	54,588.19	54,588.19	0	1,613,137	$ 80,657
M.S.D. Lawrence Township	11	335,980.51	304,469.13	(31,511)	7,873,149	$ 393,657
M.S.D. of Warren Township	11	83,030.40	60,849.90	(22,180)	10,546,000	$ 527,300
IOWA						
Davenport Community	1	350,766.91	12,788.73	(337,978)	23,509,649	$ 1,175,482
Solon Community School District.	1	6,179.10	4,528.50	(1,651)	925,976	$ 46,299
Wapello Community	1	8,556.06	5,520.02	(3,036)	1,125,328	$ 56,266
Iowa City Community	1	119,418.45	100,175.07	(19,243)	10,240,813	$ 512,041
Mount Pleasant Community	1	29,349.30	17,778.30	(11,571)	2,690,774	$ 134,538
Bellevue Community	2	14,888.67	5,092.47	(9,797)	865,409	$ 43,270
Melcher Dallas Community	4	9,886.56	7,245.60	(2,641)	387,866	$ 19,393
Albia Community	4	20,185.06	12,371.46	(7,813)	1,836,708	$ 91,835
Nevada Community	5	19,454.98	14,477.43	(4,978)	1,530,116	$ 76,506
Norwalk Community	5	13,655.14	8,271.59	(5,383)	1,217,850	$ 60,893
Roland-Story Community	5	11,740.29	8,604.15	(3,136)	1,080,794	$ 54,040
Council Bluffs Community Schools.	5	38,516.39	29,788.64	(8,727)	11,571,246	$ 578,562
Sioux City Community Schools	6	71,977.68	104,949.57	+32,972	15,112,881	$ 755,644
KANSAS						
Unified School District 379	1	20,441.26	14,967.57	(5,474)	1,511,980	$ 75,599
Unified School District No. 409	2	19,427.64	16,975.64	(2,452)	1,651,429	$ 82,571
Unified School District No. 501	2	224,564.23	176,881.18	(47,683)	16,250,000	$ 812,500
Unified School District No. 464	2	16,863.41	12,117.59	(4,746)	789,685	$ 39,484
Rural Vista Unified School District 481.	2	21,020.28	15,480.46	(5,540)	582,126	$ 29,106
Abilene Unified School District 435.	2	29,787.64	21,718.32	(8,069)	1,453,701	$ 72,685
Unified School District No. 320	2	8,742.43	6,527.16	(2,215)	679,458	$ 33,973
Leavenworth Unified School District 453.	2	504,411.06	419,183.11	(85,228)	5,970,236	298,112
Unified School District No. 337	2	31,946.89	29,591.22	(2,356)	476,201	23,810
Unified School District 475	2	1,836,176.62	1,762,462.40	(73,714)	4,918,880	245,944
Unified School District No. 207	2	1,319,939.02	1,319,745.90	(193)	1,734,453	86,723
Wamego Unified School District 320.	2	14,148.39	10,162.67	(3,986)	901,404	$ 45,070
Osage City Unified School District 420.	5	9,502.65	6,646.44	+2,856	570,881	$ 28,544
Unified School District No. 394	5	64,776.08	61,923.02	(2,853)	493,440	24,672
Consolidated-Unified School District No. 101	5	8,159.61	4,942.44	(3,217)	1,109,130	$ 55,457
Morris County Unified School District 417.	5	20,694.66	15,459.40	(5,235)	1,061,149	$ 53,057
Unified School District No. 247	5	11,061.08	6,699.93	(5,351)	868,887	$ 43,444
Circle Unified School District No. 375.	5	9,291.48	5,628.04	(3,663)	936,009	$ 46,800
Unified School District No. 500	5	89,324.91	96,654.89	+7,330	21,329,571	$ 1,066,479
Ell-Saline Unified School District No. 307.	1					

See footnotes at end of table.

State and school district	Congressional District	1974-75 Old law	1974-75 New law tier 2	1974-75 Difference	1974-75 Total estimated cost of education	Administration 5 percent reduction on TCE
KENTUCKY						
Central City Independent	1	11,606.40	8,616.85	(2,990)	505,882	¹25,294
Christian County	1	245,214.66	205,904.78	(39,310)	5,348,403	¹267,420
Fulton City	1	1,032.26	5,529.64	+4,497	(²)	(²)
Marshall County	1	58,572.72	48,197.40	(4,375)	2,433,431	¹121,672
Mayfield Independent	1	7,320.96	11,282.69	+3,962	1,328,654	¹66,433
Muhlenberg County	1	37,854.72	29,389.79	(8,465)	2,292,823	¹114,641
Murray Independent	1	10,713.60	9,434.06	(1,280)	1,009,362	¹50,468
Paducah Independent	1	38,033.28	55,745.81	+17,713	4,000,087	¹200,004
Russellville Independent	1	24,105.60	16,188.41	(7,917)	979,822	¹48,991
Todd County	1	17,109.62	12,070.25	(5,039)	1,164,925	¹58,246
Trigg County	1	42,828.87	32,411.00	(10,418)	1,225,651	¹61,283
Edmonson County	2	10,819.83	6,396.48	(4,423)	907,030	¹45,352
Breckinridge County	2	37,268.01	26,022.75	(11,245)	2,081,558	¹104,078
Elizabethtown Independent	2	70,174.08	55,486.30	(14,688)	1,595,856	¹79,793
Hardin County	2	520,859.52	410,274.55	(110,585)	5,640,608	282,030
West Point	2	13,570.56	10,987.27	(2,583)	121,024	6,051
Caverna Independent	2	15,713.19	14,686.58	(1,027)	596,913	¹29,846
Brandenburg	2	130,807.95	98,538.80	(32,269)	1,781,173	89,059
Beechwood	4	9,336.09	3,049.33	(6,287)	522,884	¹26,144
Ludlow Independent	4	11,070.72	7,459.02	(3,612)	517,198	¹25,860
Newport Independent	4	21,209.35	33,022.16	+11,813	2,375,245	¹118,762
Kenton County	4 and 5	63,388.80	33,659.56	(29,729)	5,553,306	¹277,665
Richmond Independent	5	4,280.17	19,161.36	+14,881	1,127,390	¹56,370
Estell County	5	28,340.01	17,953.43	(10,387)	1,429,313	¹71,466
Jackson County	5	15,260.09	9,534.10	(5,726)	1,267,405	¹60,370
Paris Independent	6	21,605.76	20,473.06	(1,133)	852,111	¹42,606
Fayette County	6	509,252.94	677,922.47	(168,670)	24,952,847	¹1,247,642
Madison County	6	66,832.32	52,117.51	(14,715)	2,333,190	¹116,660
Scott County	6	24,641.28	28,509.90	+3,869	1,743,176	¹87,159
Clark County	6	53,806.38	47,697.32	(6,109)	3,127,164	¹156,358
Jefferson County	7	591,696.81	409,758.01	(181,939)	70,107,968	¹3,505,398
Menifee County	7	7,371.96	6,581.15	(791)	577,599	¹28,880
Nicholas County	7	11,708.43	7,147.20	(4,561)	889,125	¹44,456
Powell County	7	17,141.76	11,886.44	(5,255)	957,037	¹47,852
LOUISIANA						
New Orleans Public Schools	1 and 2	213,284.46	1,195,917.48	+982,633	70,977,611	¹3,548,881
Bossier Parish	4	1,179,101.00	1,052,955.00	(126,146)	12,006,468	600,323
Caddo Parish	4	137,312.64	113,362.69	(23,950)	38,328,433	¹1,916,422
Sabine Parish School Board	4	12,429.55	14,886.61	+2,457	3,178,933	¹158,947
Vernon Parish	4	685,618.79	600,807.90	(84,811)	5,615,864	280,793
Webster Parish School Board	4	119,925.64	89,547.93	(30,378)	8,400,000	¹420,000
Lincoln (7th)	5	12,234.58	17,608.68	+5,484	4,414,025	¹220,701
Beauregard Parish	7	91,976.76	75,927.18	(16,049)	5,236,125	¹261,806
MAINE						
Kittery	1	179,949.42	148,357.06	(31,592)	1,964,114	98,205
Brunswick School Department	1	530,741.00	514,150.00	(16,591)	3,489,550	174,477
Sanford	1	62,140.66	63,461.07	+1,321	3,449,874	¹172,493
Augusta Public School Department	1	63,494.80	47,746.90	(15,748)	3,411,500	¹170,575
M.S.A.D. No. 75	2	160,582.51	148,268.25	(12,314)	1,909,425	95,471
M.S.A.D. No. 64	2	7,314.18	5,464.16	(1,850)	935,187	¹46,759
S.A.D. No. 23	2	4,660.42	3,515.31	(1,145)	300,000	¹15,000
S.A.D. No. 68	2	24,641.38	22,939.43	(1,702)	1,115,000	¹55,750
No. 42	2	7,249.60	4,580.10	(1,669)	375,498	¹18,774
Orrington School Department	2	12,146.20	9,254.48	(2,892)	496,508	¹24,775
MARYLAND						
Charles County Board of Education	1	1,008,946.10	473,527.00	(535,419)	15,785,148	¹789,257
Worcester County	1	76,790.75	51,916.43	(24,874)	6,562,054	¹328,102
Board of Education of St. Mary's	1	1,197,475.20	981,696.80	(215,779)	10,479,845	523,992
Dorchester County	1	6,984.81	25,217.18	+20,233	6,591,065	¹329,553
Harford County	1	2,033,603.00	1,720,171.00	(313,432)	31,202,536	1,560,126
Somerset County	1	4,876.80	11,520.60	+6,644	3,460,261	¹173,013
Cecil County	1	468,240.00	389,994.64	(78,246)	11,289,396	¹564,469
Calvert County	1	200,189.82	121,840.77	(79,005)	5,924,665	¹296,233
Prince Georges County	4, 5	12,569,123.91	5,421,040.00	(7,148,083)	170,311,605	¹8,515,580
Frederick County	6	694,268.32	564,692.22	(129,576)	19,550,636	¹977,531
Carroll County	6	248,904.69	145,441.99	(103,463)	20,441,845	¹1,022,092
Board of Education of Allegany	6	147,102.58	32,929.25	(114,173)	15,320,000	¹766,000
Montgomery	8	6,893,898.00	2,388,598.00	(4,505,300)	173,392,882	¹8,669,644

See footnotes at end of table.

State and school district	Congressional District	1974-75 Old law	New law tier 2	Difference	Total estimated cost of education	Administration 5 percent reduction on TCE
MASSACHUSETTS						
Lee Public Schools	1	14,483.70	6,553.98	(7,930)	1,400,000	¹ 70,000
Williamsburg	1	4,477.75	3,281.49	(1,196)	372,758	¹ 18,638
Hampshire Regional	1	9,661.83	7,211.48	(2,450)	1,283,458	¹ 64,173
Easthampton Public Schools	1	12,927.60	9,755.96	(3,172)	2,418,944	¹ 120,947
North Adams	1	12,158.46	15,829.41	+3,671	3,185,881	¹ 159,294
Hatfield	1	7,639.68	5,157.36	(2,482)	614,192	¹ 30,710
Pittsfield	1	346,411.00	282,662.00	(63,749)	11,917,179	¹ 595,841
Holyoke Public Schools	2	20,632.32	34,741.20	+14,109	7,199,157	¹ 359,957
Lincoln-Sudbury Regional	4	16,219.00	11,736.42	(4,333)	3,142,564	¹ 157,128
Harvard, Worcester County	4	15,176.56	15,176.56	0	1,182,500	¹ 59,125
North Reading	5	20,804.25	14,475.51	(6,329)	3,250,000	¹ 162,500
081-005 Dunstable Elementary School.	5	3,690.88	4,170.58	(1,520)	460,000	¹ 20,000
Tewksbury	5	41,891.06	28,784.76	(13,106)	7,445,551	¹ 372,279
Shawsheen Regional Vocational	5	13,507.80	9,155.17	(4,353)	2,448,296	¹ 122,415
Littleton Public Schools	5	26,531.00	19,574.00	(6,957)	2,090,567	¹ 104,528
Westford	5	61,958.96	43,806.22	(18,153)	3,614,751	¹ 180,738
Greater Lawrence Regional Vocational Tec.	5	13,264.89	10,619.40	(2,645)	3,013,364	¹ 150,668
Acton/Boxborough	5	29,420.16	22,273.74	(7,147)	3,061,469	¹ 153,073
Acton	5	30,184.32	23,213.62	(6,971)	2,772,784	¹ 138,639
Billerica	5	159,109.40	126,606.24	(32,503)	8,010,341	¹ 400,667
Whittier Regional Voc. Tech. School.	6	9,360.96	6,931.71	(2,429)	8,060,498	¹ 403,024
Gloucester	6	23,361.62	24,434.22	+1,073	7,057,806	¹ 352,890
North Andover	6	24,242.98	15,324.37	(8,918)	3,306,588	¹ 165,329
Amesbury	6	22,520.64	6,395.37	(16,125)	2,270,051	¹ 113,503
Masconomet Regional	6	18,886.53	13,865.85	(5,021)	3,222,224	¹ 161,111
Peabody School Department	6	67,240.32	49,277.76	(17,963)	14,323,410	¹ 716,170
N.E. Met. Regional Vocational School.	7	26,159.60	17,754.28	(8,405)	3,344,360	¹ 167,218
Wakefield Public Schools	7	56,101.47	39,758.46	(16,343)	5,729,356	¹ 286,468
Melrose Public Schools	7	34,634.88	25,315.85	(12,319)	7,641,123	¹ 382,056
Cambridge	8	69,300.00	100,602.00	+31,302	17,171,087	858,554
Needham	8	78,892.00	54,582.00	(24,310)	8,594,000	¹ 429,700
Whitman-Hanson Regional	11, 10	8,601.88	5,986.16	(2,616)	2,127,338	¹ 106,367
Bourne Public Schools	11	410,611.00	379,678.56	(30,932)	3,808,000	¹ 190,400
Hull	12	26,772.83	21,038.57	(5,734)	3,797,868	¹ 189,893
City of Detroit	1, 13, 14, 16, part of 17.	458,015.46	717,301.68	+259,286	287,519,150	¹ 14,375,958
Milan area schools	2	32,672.40	26,825.80	(5,847)	2,341,501	¹ 117,075
Pennfield schools	3	32,167.99	23,673.31	(8,495)	2,167,509	¹ 108,376
Lakeview	3	94,130.90	68,986.48	(25,145)	5,233,405	¹ 261,670
Sault Ste. Marie area public schools.	11	188,110.48	156,819.36	(31,291)	5,239,912	¹ 261,996
Fairview High School	11	6,459.96	4,734.37	(1,726)	444,736	¹ 22,237
City of Iron Mountain	11	21,140.13	15,722.71	(5,417)	1,711,300	¹ 85,565
MIO Ausable schools	11	9,965.80	3,203.54	(6,762)	745,464	¹ 37,273
Mount Clemens Community School District.	12	332,857.00	243,117.00	(10,760)	7,014,613	¹ 350,731
Utica Community schools	12	164,707.02	121,140.79	(43,566)	24,200,000	¹ 1,260,000
MINNESOTA						
I.S.D. 625	4	99,966.80	199,138.36	+99,171	68,935,816	¹ 3,446,791
880	6	22,340.05	16,372.36	(5,968)	1,366,494	¹ 68,325
Independent School District No. 4.	7	129,328.08	129,238.08	0	842,894	42,145
Independent School District No. 435.	7	99,204.14	83,897.63	(15,306)	956,902	47,845
Independent No. 696	8	21,984.40	17,110.84	(4,874)	1,900,000	¹ 95,000
Independent School District No. 317.	8	104,877.01	108,692.71	+4,086	1,406,503	70,325
Independent School District No. 166.	8	35,592.61	32,155.32	(3,438)	1,118,985	¹ 55,949
Independent School District No. 94.	8	53,952.54	50,246.38	(3,706)	3,985,350	¹ 199,267
Centennial District 12	8	20,947.40	12,705.69	(8,242)	3,485,078	¹ 174,254
Lake Superior No. 381	8	57,775.41	52,440.22	(5,335)	4,443,400	¹ 222,170
Independent No. 709	8	355,220.15	370,453.99	+15,233	21,519,563	¹ 1,075,978

See footnotes at end of table.

State and school district	Congressional District	1974-75 Old law	1974-75 New law tier 2	1974-75 Difference	Total estimated cost of education	Administration 5 percent reduction on TCE
MISSISSIPPI						
Tupelo Municipal Separate School.	1	11,666.19	25,161.72	(16,496)	3,543,480	$177,174
Starkville Municipal Separate School District.	2	20,891.52	25,724.24	+4,832	2,283,357	$114,168
Long Beach Municipal Separate School District.	5	158,498.07	99,293.88	(59,204)	2,022,314	$101,116
Gulfport Municipal Separate	5	221,742.70	213,710.36	(8,033)	4,698,264	$234,913
Picayune Municipal Separate	5	55,710.72	46,026.31	(9,685)	2,005,575	$100,279
Jackson County	5	203,379.84	152,921.42	(50,469)	3,046,948	152,347
Forrest County A.H.S.	5	7,780.11	5,154.80	(2,625)	390,278	$19,514
Forrest County	5	29,819.52	22,896.55	(6,923)	2,548,309	$127,415
Pass Christian Municipal Separate.	5	27,789.29	27,616.95	(172)	1,901,131	$95,057
Bay St. Louis	5	27,498.24	20,062.51	(7,435)	1,219,111	$60,956
MISSOURI						
Berkeley	2	33,470.70	22,806.03	(10,665)	5,612,944	$280,647
Wellington Napoleon R-9	4	9,862.28	6,771.22	(3,091)	399,000	$19,950
Lexington R-V	4	20,256.79	12,558.30	(7,699)	1,150,808	$57,540
Knob Noster R-VIII	4	618,492.80	607,076.16	(11,417)	1,469,012	73,451
Reorganized S.D. No. 7	4	26,640.00	16,245.13	(10,395)	1,448,361	$72,418
Henry County R-I School	4	7,392.39	5,110.51	(2,281)	559,486	$27,974
Grain Valley R-5 School District	4	7,378.05	5,407.06	(1,971)	131,839	$6,592
SD of Harrisonville R-9	4	43,036.00	30,101.00	(12,935)	1,579,923	$78,996
Chilohee Reorganized R-IV	4	2,689.71	1,810.07	(880)	126,062	$6,303
Reorganized S.D. No. 7	4	94,652.00	69,469.00	(25,183)	5,448,145	$272,407
Independence No. 30	4	131,090.70	100,840.42	(30,250)	11,927,544	$596,377
Grandview Consolidated School District No. 4.	5	263,805.00	203,912.00	(59,893)	5,575,534	$278,777
St. Joseph	6	50,918.87	65,939.00	+15,020	12,000,000	$600,000
Excelsior Springs Public School District No. 4.	6	29,331.85	22,383.80	(6,948)	2,565,810	$128,291
North Kansas City No. 74	6	106,843.49	66,276.84	(40,566)	17,712,015	$885,601
Richmond SD R-13	6	11,070.72	8,125.31	(2,946)	1,356,364	$67,818
Reed Spring R-IV	7	14,999.04	11,169.76	(3,829)	559,860	$27,993
Springfield R-12	7	99,670.01	85,566.57	(14,103)	20,688,327	$1,034,416
Stockton School District	7	10,512.93	8,234.69	(2,278)	625,554	$31,278
????eria S.D. R-5	8	12,320.64	7,597.58	(4,726)	443,836	$22,192
Waynesville R-VI	8	1,510,260.00	1,477,579.00	(32,681)	4,816,535	240,827
Houston Schools R-I	8	18,381.05	13,884.92	(4,496)	910,757	$45,539
Success R-6	8	45,482.44	45,482.44	0	195,251	9,763
Stoutland R-2	8	6,428.16	4,710.96	(1,717)	460,237	$23,012
Rolla Public Schools	8	58,656.96	45,336.87	(13,320)	3,499,551	$174,978
Dixon R-1	8	53,834.41	41,670.16	(12,164)	790,183	39,509
Richland R-4 School	8	20,068.48	14,690.12	(5,378)	539,415	$26,971
Parkway	8	163,574.55	121,785.75	(41,789)	23,751,137	$1,187,557
Columbia Public Schools	8	101,649.96	98,398.87	(3,251)	9,156,100	$457,805
Crocker R-2	8	28,926.72	22,152.98	(6,774)	496,000	$24,800
Plator-5	8	37,497.60	28,945.14	(8,553)	444,000	22,200
Fort Zumwalt	9	37,147.26	22,500.98	(14,647)	3,857,950	$192,897
Canton School District R-V	9	2,769.47	2,373.81	(395)	566,493	$28,325
Ripley County R-IV School District.	10	4,565.78	3,423.31	(1,143)	172,438	$8,622
Consolidated School District No. 6.	10	57,226.68	35,875.59	(21,351)	6,287,668	$314,383
Hickman Mills CSD No. 1	133	410,136.46	296,410.46	(113,726)	11,316,202	$565,810
Cons. School District No. 2	133	174,302.25	126,499.42	(47,803)	12,000,000	$600,000
Center School District No. 58	133	76,478.75	56,273.49	(20,206)	5,365,399	$268,270
Lindbergh	136	77,887.93	57,506.26	(20,382)	9,970,845	$498,542
Mehlville R-9	136	1,433,645.59	990,455.61	(488,672)	11,163,434	558,172
University City	137	72,245.78	47,972.41	(24,274)	8,146,000	$420,800
Ferguson Reorganized R-2	220	165,318.00	123,203.09	(42,115)	15,907,942	$795,397
MONTANA						
No. 40 Frenchtown Elementary	1	8,080.57	6,493.47	(1,587)	271,223	$13,561
No. 40 Frenchtown High School	1	6,682.00	5,591.00	(1,091)	247,394	$12,369
Libby High School District No. 4.	1	46,501.77	33,345.52	(12,156)	918,596	$45,929
Elementary School District No. 4.	1	107,090.20	78,805.77	(28,285)	1,586,196	$79,309
Second Class District No. 7	1	5,286.79	3,721.56	(1,565)	210,000	$10,500
Heart Butte School No. 1	1	108,510.02	108,311.30	(199)	274,051	13,703
Trego School District No. 53	1	3,979.32	3,186.52	(793)	86,846	$4,342
Gardiner Elementary School District 7.	1	23,110.65	18,760.95	(4,350)	152,769	7,638

See footnotes at end of table.

State and school district	Congressional District	1974-75 Old law	1974-75 New law tier 2	1974-75 Difference	1974-75 Total estimated cost of education	Administration 5 percent reduction on TCE
MONTANA—Continued						
Gardiner School District No. 4	1	24,386.01	20,776.51	(3,610)	197,108	9,855
Elementary School District 28	1	63,311.88	54,722.13	(8,589)	323,988	16,199
Elementary School District 28	1	19,564.98	16,430.65	(3,134)	259,433	12,971
09 Darby	1	36,017.91	29,436.21	(6,581	145,940	7,297
Sanders County School District No. 2.	1	11,348.39	8,270.74	(3,078)	294,469	[1] 14,723
Valier Elementary School District.	1	8,271.92	7,392.34	(879)	202,868	[1] 10,143
Valier High School District No. 19	1	21,369.73	18,754.26	(2,615)	191,223	9,561
Kessler No. 2	2	7,218.90	5,740.18	(1,478)	203,011	[1] 10,150
No. 14 Fortine	2	3,553.14	2,604.11	(949)	59,818	[1] 2,990
Koccanusa School District No. 2	1	2,678.40	1,962.90	(716)	53,078	[1] 2,653
Victor High School District No. 7	1	2,456.99	1,497.47	(959)	109,520	[1] 5,476
Victor Elementary District No. 7	1	6,785.28	4,023.28	(2,762)	164,790	[1] 8,239
Elementary School District 17-H	2	215,916.77	208,443.96	(7,473)	1,144,101	57,205
Custer Co. High School District	2	13,417.50	9,968.32	(3,449)	940,873	[1] 47,043
Hardin High School District No. 1	2	70,594.81	66,945.76	(3,649)	526,711	26,335
Havre High School District A	2	16,447.19	14,731.12	(1,716)	1,214,245	[1] 60,712
Elementary and High School District No. 9	2	29,042.12	26,691.82	(2,351)	473,837	23,691
Poplar Public School District No. 9B	2	95,537.38	93,607.74	(1,930)	361,716	18,085
Poplar Public School District No. 9	2	289,084.01	283,009.89	+6,075	655,762	32,788
Frazer School District No. 2B	2	92,841.00	83,883.00	(8,958)	97,646	4,882
Frazer Elementary District No. 2	2	79,424.00	73,133.00	(6,291)	145,640	7,282
Havre School District No. 16	2	15,699.00	12,746.50	(2,953)	1,674,110	[1] 83,705
Ashland Elementary School District No. 32	2	11,780.10	9,478.63	(2,302)	56,774	2,838
Colstrip School District No. 19	2	43,721.56	37,401.24	(6,320)	190,000	9,500
Glasgow School District No. 1A	2	225,611.02	198,625.15	(26,986)	877,072	43,853
NEBRASKA						
Mead Public School	1	5,662.90	2,276.25	(3,386)	408,077	[1] 20,403
No. 13 Walthill Public School	1	25,834.95	20,599.48	(5,235)	319,726	15,986
Ralston	2	59,810.94	46,801.80	(13,009)	4,140,936	[1] 207,046
School District of Papillion	2	656,163.46	584,496.35	(71,667)	4,445,508	222,275
Thurston County No. 17	2	178,546.96	178,546.96	0	724,200	36,210
City of Bellevue	2	3,695,336.20	3,549,079.62	(146,257)	8,749,453	437,472
Plattsmouth School District No. 1	2	95,361.35	87,601.32	(7,760)	1,375,188	68,759
Murray School District No. 56	2	14,638.59	12,147.29	(2,491)	170,425	8,521
Chadron School District	3	17,615.59	13,155.88	(4,460)	965,122	[1] 48,256
Sandy Creek Public School District No. 1C.	3	3,269.71	2,396.16	(873)	746,584	[1] 37,329
Genoa District No. 3	3	5,326.89	4,565.75	(761)	440,846	[1] 22,042
Clay Center	3	14,111.56	10,341.83	(3,770)	462,265	[1] 23,113
No. 2 Rushville Public	3	16,827.96	13,490.92	(3,337)	336,169	[1] 16,808
Crawford City School District No. 71.	3	5,769.70	5,001.90	(763)	315,581	[1] 15,779
Sandhills Public School	3	6,329.19	5,226.51	(1,103)	326,688	[1] 16,334
Wood River Elementary	3					
NEVADA						
Washoe County	157	291,303.00	243,514.00	(47,689)	40,742,762	[1] 2,037,138
Elko County	157	179,196.00	167,081.00	(12,115)	4,575,090	[1] 228,795
Carson City	157	92,375.37	80,506.64	(11,869)	5,229,445	[1] 261,472
Pershing County	157	22,335.18	18,403.01	(3,932)	805,586	[1] 40,279
Mineral County	157	381,491.60	357,763.88	(23,728)	1,802,554	90,128
White Pine County	157	23,009.55	18,654.09	(4,355)	2,271,822	[1] 113,591
Humbolt County	157	96,336.86	91,779.99	(4,557)	1,604,337	[1] 80,217
Lander County	157	85,659.00	68,613.66	(17,045)	875,561	[1] 43,778
Churchill County	157	250,339.59	227,901.20	(22,438)	3,026,275	[1] 151,314
Lyon County	157	71,008.05	63,960.43	(7,048)	2,[illegible]02	[1] 148,688
Nye County	157	43,285.58	35,630.84	(7,655)	[1] 1,785,229	[1] 89,261

See footnotes at end of table.

State and school district	Congressional District	1974-75 Old law	1974-75 New law tier 2	1974-75 Difference	1974-75 Total estimated cost of education	Administration 5 percent reduction on TCE
NEW HAMPSHIRE						
Dover	1	133,106.01	50,115.90	(82,991)	3,718,934	[1] 185,946
Goffstown	1	763,184.00	605,486.00	(157,698)	1,882,077	94,103
Hampton	1	39,654.37	16,244.84	(23,410)	1,451,543	[1] 72,577
New Castle	1	10,653.99	3,862.81	(6,791)	257,863	[1] 7,893
Newington	1	13,855.40	6,635.01	(7,220)	195,829	[1] 9,791
Newmarket	1	15,108.92	3,913.84	(12,195)	538,907	[1] 26,945
Portsmouth	1	1,606,423.22	1,185,063.20	(501,360)	5,594,700	279,735
Bow	2	487,310.00	387,499.00	(99,811)	1,287,661	64,383
Weare	2	214,986.00	170,973.00	(44,013)	[2]	[2]
NEW JERSEY						
Brooklawn	1	4,880.00	0	(4,880)	422,815	[1] 21,141
Kingsway Regional	1	7,580.00	3,249.00	(4,331)	1,162,550	[1] 58,127
Pine Hill	1	3,462.00	573.00	(2,889)	794,695	[1] 39,735
Runnemede	1	12,688.00	1,658.00	(11,030)	1,057,891	[1] 52,895
West Deptford Township	1	52,313.00	16,983.00	(35,330)	4,493,728	224,686
Absecon	2	39,223.00	28,745.00	(10,478)	1,116,898	[1] 55,845
Greater Egg Harbor Regional	2	76,693.00	56,558.00	(20,135)	2,437,642	[1] 121,882
Salem	2	2,691.00	24,266.00	+22,575	2,712,224	[1] 135,612
Somers Point Public Schools	2	28,661.00	21,569.00	(7,092)	1,079,233	[1] 53,962
Westhand Township	2	6,086.00	4,711.00	(1,375)	304,732	[1] 15,237
Manasquan	3	16,230.00	11,684.00	(4,546)	2,534,732	[1] 126,736
Monmouth Regional High School.	3	362,235.00	341,537.00	(20,698)	2,678,750	133,937
Florence	4	19,273.00	21,837.00	+2,564	1,900,815	[1] 95,041
Maple Shade	6	29,261.00	10,483.00	(18,778)	2,725,882	[1] 136,294
Pemberton Borough	6	13,520.00	9,870.00	(3,650)	250,347	[1] 12,517
Pemberton Township	6	1,882,150.00	1,744,886.00	(137,264)	7,352,668	367,633
Pennsauken	6	48,353.00	12,415.00	(35,937)	7,687,772	[1] 384,389
Plumsted Township	6	27,727.00	17,858.00	(9,869)	1,076,749	[1] 53,837
Byram Township	13	9,328.00	5,814.00	(3,514)	1,609,449	[1] 80,472
Hackettstown	13	28,132.00	16,903.00	(11,229)	3,087,730	[1] 154,386
Hardyston Township	13	7,834.00	4,745.00	(3,089)	899,950	[1] 44,997
Morris Hills Regional	13	88,824.00	67,210.00	(21,614)	5,540,847	[1] 277,042
Mt. Olive Township	13	26,227.00	19,221.00	(7,006)	3,806,190	[1] 190,309
Netcong Public Schools	13	5,866.00	4,299.00	(1,567)	919,043	[1] 45,952
Phillipsburg	13	866.00	637900	(229)	4,115,100	[1] 205,755
Rockaway Borough	13	531,625.00	355,800.00	(175,825)	1,187,675	59,383
Rockaway Township	13	91,896.00	76,795.00	(15,101)	4,668,599	[1] 233,430
Sussex County Vocational Technical.	13	15,164.00	11,113.00	(4,051)	1,622,285	[1] 81,114
New Brunswick	15	2,604.00	72,521.00	+69,917	9,286,371	[1] 464,318
NEW MEXICO						
Las Cruces School District No. 2	2	787,235.33	659,794.55	(127,440)	11,365,183	568,259
Espanola Municipal Schools	1	351,598.50	294,989.23	(56,610)	4,500,000	225,000
Gallup-McKinley County	2	3,849,233.00	3,808,286.00	(40,947)	11,577,788	578,889
Ojo Caliente Independent	1	16,998.91	11,914.21	(5,084)	644,125	[1] 32,206
Ruidoso, No. 3	2	38,415.63	36,170.41	(2,245)	850,751	[1] 42,538
Alamogordo Municipal School District.	2	1,455,318.75	1,721,681.71	+266,363	6,923,792	346,190
Grants Municipal District No. 3	2	387,675.69	386,497.98	(1,178)	3,882,030	194,102
Artesia Public Schools	2	79,749.00	64,974.00	(14,775)	3,062,438	[1] 153,122
Loving Municipal	2	9,998.00	7,328.00	(2,670)	359,434	[1] 17,972
Gadsden Independent No. 16	2	49,815.45	26,551.00	(23,264)	3,195,762	[1] 159,788
Magdalena Municipal	2	156,341.61	155,053.71	(1,288)	618,702	30,935
Chama Valley Independent District 19.	1	24,330.06	19,182.75	(5,147)	836,470	[1] 41,823
Taos Municipal Schools	1	77,030.28	72,397.87	(4,632)	848,184	42,409
Los Alamos		720,795.68	529,202.85	(191,593)	5,905,386	295,269
Las Vegas west		11,274.75	18,142.01	+5,867	2,315,448	[1] 115,772
Las Vegas east		4,744.59	12,505.69	+7,761	2,917,134	[1] 145,857
Jemez Spring		152,285.77	149,673.77	(2,612)	678,981	33,949
James Mountain		80,300.84	72,478.04	(7,823)	784,329	39,216
Jal		8,928.00	6,543.00	(2,385)	859,588	[1] 42,979
Hobbs		26,962.56	19,474.20	(7,489)	5,684,493	[1] 284,225
Hatch Valley		17,141.76	12,606.94	(4,535)	756,060	[1] 37,803
Farmington		63,464.91	61,594.21	(1,871)	5,472,921	[1] 273,646
Eunice		9,830.80	7,828.59	(2,002)	803,256	[1] 40,163
Catancia		3,392.64	2,551.38	(842)	566,683	[1] 28,334
Dulce		313,065.83	312,159.53	(906)	851,242	42,562
Des Moines		3,367.11	2,805.41	(562)	268,437	[1] 13,422

See footnotes at end of table.

State and school district	Congressional District	1974-75 Old law	1974-75 New law tier 2	1974-75 Difference	1974-75 Total estimated cost of education	Administration 5 percent reduction on TCE
NEW MEXICO—Continued						
Cuba		329,518.87	323,127.37	(6,391)	537,574	26,879
Cloudcroft		42,599.07	35,247.49	(7,352)	358,848	17,943
Belen		49,271.52	31,839.97	(17,431)	2,826,565	¹141,238
Bunalillo		680,592.35	673,157.15	(7,435)	3,396,767	169,838
Bloomhill		390,433.29	372,469.26	(17,694)	2,130,437	106,522
Carlsbad		335,514.15	247,459.88	(88,954)	5,250,906	¹262,545
Capitan		2,856.96	2,093.76	(763)	282,188	¹14,109
Aztec		29,460.34	22,011.20	(7,449)	1,751,753	¹87,588
Albuquerque		3,079,435.80	2,574,590.15	(504,846)	6,719,318	¹3,085,966
Carrizozo		6,963.84	0	(6,964)	456,861	¹22,843
Clovis		802,086.06	772,433.99	(29,652)	6,812,195	340,610
Fort Sumner		0	1,319.57	+1,320	NA	NA
Kirtland		2,444,530.77	2,425,641.57	(18,889)	NA	NA
Quemado		3,137.55	2,366.95	(771)	NA	NA
Rey		2,321.28	6,632.21	+4,311	NA	NA
Wagon Mound		712.24	1,313.89	+600	266,017	13,303
Tubarasa		360,154.74	338,977.16	(21,178)	1,292,364	64,620
Truth or Consequences		11,963.52	8,812.00	(3,152)	1,212,764	¹60,638
Springer		85,708.23	81,108.26	(4,600)	549,112	27,456
Socorro		78,011.32	44,429.61	(33,781)	1,660,652	¹83,033
Santa Fe		186,697.20	0	(186,697)	7,310,487	¹365,487
Roswell		136,036.74	109,568.34	(26,469)	7,461,773	¹373,089
Reserve		27,472.71	20,471.51	(7,001)	363,500	18,175
Raton		1,428.48	7,320.75	+5,893	1,543,728	¹77,186
Pajoaque		190,497.24	149,382.53	(41,114)	1,027,724	51,386
Penasar		20,534.34	16,810.42	(3,724)	706,262	¹35,313
Pecas		10,815.60	8,466.80	(2,349)	698,641	¹34,932
Mountainair		10,228.59	8,079.57	(2,149)	417,600	¹20,880
Moriarty		14,463.36	8,829.06	(5,634)	779,374	¹38,969
Mora		5,713.92	4,187.52	(1,526)	1,005,809	¹50,290
Melrose		5,713.92	4,586.94	(1,127)	323,878	¹16,194
Los Lunas		213,173.85	181,711.05	(31,463)	2,754,681	¹137,284
NEW YORK						
South Country School District	1	150,771.30	110,496.60	(40,275)	7,233,985	¹361,699
Sachem Consolidated School District at Holbrook	1	230,910.68	166,442.06	(64,469)	(2)	(2)
Smithtown Central	3	149,047.00	102,871.00	(46,176)	26,005,329	¹1,300,266
Northport-East Northport	3	130,735.00	92,325.00	(38,410)	18,375,246	¹918,762
Kings Park Central	3	54,008.65	37,451.77	(16,557)	9,958,331	¹497,917
Bethpage Union Free	3	42,866.35	29,672.15	(13,194)	10,992,354	¹549,617
Port Chester-Rye Union Free	24	9,087.60	9,086.20	(1)	6,990,873	¹349,544
Valley Central School District No. 1	26	43,506.09	31,958.77	(11,547)	6,191,355	¹309,568
Highland Falls Central	26	473,498.82	363,057.31	(110,442)	2,446,926	122,346
Wallkill Central	26	20,918.78	13,308.74	(7,160)	3,903,244	¹195,162
Vestal Central	27	78,425.58	57,685.80	(20,740)	11,163,393	¹558,170
Rotterdam-Draper Union Free	28	55,113.81	49,343.33	+39,213	1,978,395	98,920
South Colonie Central	28	105,835.54	78,005.16	(27,830)	12,873,122	¹643,656
Cohoes	28	33,978.83	46,045.52	+12,067	3,339,230	¹166,961
Brunswick Central	28	32,519.30	20,775.91	(11,743)	2,353,900	¹117,695
North Colonie Central No. 5	28	55,527.43	40,638.25	(14,899)	9,600,6[illegible]	¹480,034
Burnt Hills-Ballston Lake Consolidated School District	28 and 29	200,141.51	146,285.92	(53,856)	7,366,848	¹368,342
Ballston Spa Central School District	29	114,119.09	79,547.61	(34,572)	7,366,848	¹368,342
Brunswick	29	6,097.98	3,693.63	(2,404)	399,828	¹19,991
Saratoga Springs	29	88,056.35	71,412.93	(16,643)	8,734,457	¹436,723
Westmoreland Central School	31	40,499.82	30,778.74	(9,721)	2,096,910	¹104,345
New York Mills Union Free	31	11,825.20	8,813.36	(3,012)	(2)	(2)
Adirondack Central School	31	36,933.75	27,589.55	(9,344)	3,010,142	¹150,507
Co solidated School District No. 1 Town of Camden	31	41,388.20	31,508.08	(9,880)	3,655,740	¹182,787
Oneida City School District	32	33,050.74	21,355.83	(11,695)	4,514,087	¹225,704
Canandaigua City	33	95,561.59	70,496.16	(25,065)	1,966,340	¹98,317
North Syracuse	33	330,559.49	310,996.65	(19,563)	(2)	(2)
South Seneca Central School	33	35,117.00	26,015.00	(9,102)	2,377,992	¹118,899
Union-Endicott Central School	33	66,654.80	49,023.09	(17,542)	10,295,968	¹514,798
Seneca Falls Central School	35	28,833.72	21,268.47	(7,565)	2,750,242	¹137,512
Niagara-Wheatfield	36	293,646.00	284,790.00	(8,856)	8,125,716	¹406,286
Savona Central	39	11,284.72	9,672.40	(1,612)	804,000	¹40,200
Niagra Falls	40	466,504.19	180,172.07	(286,332)	23,794,885	¹1,189,744

See footnotes at end of table.

State and school district	Congressional District	1974-75 Old law	1974-75 New law tier 2	1974-75 Difference	Total estimated cost of education	Administration 5 percent reduction on TCE
NORTH CAROLINA						
Camden County	1	33,033.60	25,540.50	(7,493)	336,386	16,819
Gates County	1	15,593.65	3,803.29	(11,790)	1,407,103	1 70,355
Pamlico County	1	62,500.80	38,230.05	(24,271)	553,092	27,655
Perquimans County	1	23,212.80	17,935.70	(5,277)	1,422,025	1 71,101
Chapel Hill-Carrboro City	2	8,642.24	23,550.88	14,909	1,916,798	1 95,840
Duplin County	3	48,746.88	1,037,637.66	(213,774)	3,063,886	153,194
Wayne County	3	895,230.00	865,264.00	(29,966)	10,606,076	530,304
Durham City	4	32,319.36	99,059.87	66,741	9,364,250	1 468,223
Burlington City	6	97,136.64	83,481.52	(13,655)	7,979,549	1 398,977
Cumberland County	7	2,191,038.72	1,816,842.47	(374,196)	24,000,000	1,200,000
Fayetteville City	7	699,214.95	659,547.05	(39,668)	2,697,151	134,858
New Hanover County	7	117,160.71	97,213.34	(19,947)	14,035,351	1 701,768
Red Springs City	7	13,034.88	16,346.24	+3,311	1,516,306	1 75,815
Moore County	8	48,211.20	44,409.43	(3,802)	1,554,838	1 77,742
Salisbury City	8	34,104.96	45,896.24	11,791	2,692,776	1 134,639
Asheville City	11	42,318.52	76,276.26	33,957	5,465,050	1 273,253
Graham County	11	82,468.68	71,988.35	(10,480)	1,200,000	60,000
Jackson County	11	63,184.29	51,989.44	(11,195)	2,680,559	1 134,027
Swain County	11	74,892.69	68,500.89	(6,392)	85,000	4,250
Transylvania County	11	55,047.45	43,223.31	(11,824)	3,186,322	1 159,316
NORTH DAKOTA						
Bismarck No. 1	157	108,728.76	87,662.65	(21,066)	6,785,000	1 339,250
Bowbells No. 14	157	4,989.46	4,293.03	(696)	209,205	1 10,460
Cavalier No. 6	157	39,946.19	29,437.49	(10,509)	720,000	36,000
Eight Mile No. 6	157	3,762.29	4,869.56	+1,608	196,370	1 9,819
Midway No. 128	157	3,585.89	2,628.64	(958)	578,000	1 28,900
Milton No. 30	157	6,961.84	4,944.64	(2,019)	112,000	5,600
Minot No. 1	157	1,292,324.74	1,263,307.94	(29,017)	6,194,727	309,736
Osnabrock No. 1	157	2,499.84	1,854.23	(646)	101,680	1 5,[illegible]
Park River No. 78	157	4,549.71	3,089.60	(1,460)	517,905	1 25,[illegible]
Pembina No. 1	157	13,926.90	7,196.75	(6,730)	205,245	10,262
Surry No. 41	157	6,785.28	4,972.68	(1,812)	110,126	5,506
Wahpeton No. 37	157	14,957.66	11,545.71	(3,412)	1,342,551	1 67,128
Walhalla No. 27	157	13,136.91	9,898.65	(3,238)	473,720	23,[illegible]
OHIO						
Forest Hills Local	1	70,769.88	53,820.82	(16,949)	7,563,818	1 378,191
Cincinnati Public Schools	1 and 2	214,843.82	551,041.12	+336,247	73,490,000	1 3,674,500
Kettering City	3	296,084.68	235,183.33	(60,902)	15,978,000	1 798,900
Dayton City	3	529,242.84	678,904.05	+149,661	56,034,835	1 2,801,742
Wayne TW/B Local	3	429,793.92	338,634.05	(91,160)	6,300,000	315,000
Paint Valley Local	6	13,034.88	8,455.16	(4,580)	882,550	1 44,128
East Clinton Local	6	13,465.21	8,309.42	(5,156)	1,753,880	1 87,694
Chillicothe City	6	135,816.13	106,711.69	(29,104)	4,361,639	1 218,082
Minford Local	6	14,820.48	9,695.52	(5,124)	1,500,000	1 75,000
Northwest Local	6	10,326.13	6,548.03	(3,778)	1,306,942	1 65,347
Mad River Township Local	7	894,133.55	774,054.35	(120,080)	5,982,290	299,114
Beavercreek Schools	7	442,650.24	345,770.91	(96,879)	7,465,961	1 373,298
New Carlisle-Bethel Local	7	183,166.85	120,803.34	(62,363)	4,558,106	1 227,905
Springfield City School	7	134,657.28	110,098.69	(24,558)	14,350,000	1 717,500
Xenia City	7	143,026.56	102,660.52	(40,366)	6,577,901	1 328,895
Miamisburg City	8	75,814.15	55,558.56	(20,255)	4,198,663	1 209,933
Toledo	9	80,543.00	224,367.00	+143,824	60,000,000	1 3,000,000
Bexley City	12	23,845.56	17,533.12	(6,313)	2,700,000	1 135,000
Jefferson Local School District	12	118,994.02	88,976.33	(30,018)	4,660,000	1 233,000
Elyria City	13	68,621.42	71,466.39	(1,974)	2,300,000	1 115,000
Huron City Schools	13	9,565.71	7,591.89	(1,974)	2,300,000	1 115,000
Lorain City School District	13	16,528.24	61,690.17	+52,554	15,850,000	1 792,500
Midview Local	13	19,273.76	16,794.53	(2,479)	3,085,535	1 154,277
Perkins Local	13	12,857.90	9,655.63	(3,202)	2,700,000	1 135,000
South-Western City Schools	15	68,964.00	63,334.00	(5,630)	NA	NA
Newark City School District	17	184,753.53	137,910.73	(46,843)	7,500,000	1 375,000
Northridge Local	17	13,749.12	9,122.82	(4,626)	1,122,900	1 56,145
East Liverpool City	18	5,468.40	12,410.07	+6,942	3,750,000	1 187,500
Strongsville City	22	39,013.20	28,530.64	(10,482)	3,998,444	1 199,922
Bay Village City	23	33,709.67	25,293.76	(8,416)	3,998,327	1 199,916
Olmstead Falls Local	23	30,391.39	22,213.20	(8,178)	2,588,176	1 129,409
Parma City School District	23	134,423.50	98,766.58	(35,657)	29,113,039	1 1,455,652
Westlake City Schools	23	32,962.98	24,062.70	(8,800)	4,141,600	1 207,080
Franklin City School	24	32,215.23	20,191.84	(12,024)	3,429,023	1 171,451
Middletown City	24	40,258.46	46,344.05	+42,086	13,056,596	1 652,830
Cleveland City	224	258,554.88	619,958.36	+361,404	137,790,000	1 6,885,000

See footnotes at end of table.

State and school district	Congressional District	1974-75 Old law	1974-75 New law tier 2	1974-75 Difference	1974-75 Total estimated cost of education	1974-75 Administration 5 percent reduction on TCE
OKLAHOMA						
Jenks Public School No. I-5	1	13,034.32	9,819.06	(3,215)	1,462,500	[1] 73,125
Tahlequah	2	56,276.85	45,795.30	(10,481)	1,539,900	[1] 76,545
Muskogee I-20	2	10,917.66	31,520.07	(60,491)	5,320,250	[1] 268,013
Catoosa	2	8,368.57	5,269.21	(3,100)	1,022,500	[1] 51,125
Checotah No. I-19	2	6,198.57	7,040.50	(842)	740,500	[1] 37,025
Weleetka I-31	2	30,408.00	28,521.00	(1,887)	415,743	20,787
Picher-Cardin	2	69,945.38	58,794.24	(11,151)	366,500	18,325
Quapaw Public	2	83,157.00	83,157.00	0	335,500	16,775
Mason Public Schools	2	23,799.30	23,416.65	(382)	166,250	8,313
I-19	2	12,273.17	11,357.73	(915)	825,500	[1] 41,275
Commerce Independent School District No. 18.	2	2,958.99	2,712.05	(247)	460,780	[1] 23,039
Pawhuska Independent School District No. 2.	2	19,178.22	16,785.88	(2,392)	812,500	[1] 40,625
I-25 Adair County	2	44,718.69	47,547.84	(2,829)	745,500	37,275
Oktaha	2	3,364.06	2,485.14	(879)	240,655	[1] 12,033
Sallisaw I-1	2	7,142.40	5,085.91	(2,056)	1,131,000	[1] 56,550
Warner Public School District I-74.	2	6,279.45	4,696.02	(1,583)	355,650	[1] 17,783
I	2	21,522.66	21,522.66	0	78,000	3,900
Homeing I-38	2	22,810.65	22,196.53	(614)	520,000	[1] 26,000
Westville I-11	2	26,059.49	25,724.84	(334)	440,500	22,025
Fairfax I-O 25	2	3,235.52	2,590.90	(645)	415,500	[1] 20,775
I-11 Keyes Public	3	8,182.48	6,127.96	(2,054)	NA	NA
Varnum	3	12,853.69	12,626.20	(227)	140,000	7,000
Big Pasture	3	6,268.89	1,489.84	(4,779)	190,250	[1] 9,512
Bullrite I-6	3	27,684.5	18,463.48	(9,222)	1,635,200	[1] 81,760
Chandler School District I-1	3	14,284.80	9,101.70	(5,183)	495,900	[1] 24,795
Haileyville Public School	3	9,260.43	9,467.07	(207)	216,312	[1] 10,816
Marlow I-3	3	12,320.64	10,173.09	(2,148)	625,800	[1] 31,290
I-48	3	7,714.36	6,111.72	(1,602)	155,500	[1] 7,775
I-1 Wellburton, Ohio	3	9,436.31	5,416.48	(4,020)	542,250	[1] 27,113
Welf School District No. 13	3	14,131.70	13,966.40	(166)	52,500	2,625
Holdenville	3	7,698.07	8,216.22	(518)	745,500	[1] 37,275
Kinta No. 13	3	5,279.94	5,832.66	(553)	190,500	[1] 9,525
McLish	3	15,246.50	14,953.29	(294)	148,500	7,425
No. 105 Carney	3	3,035.52	1,226.32	(1,810)	135,250	[1] 6,763
Marietta Independent School District No. 16.	3	0	1,435.00	(1,435)	412,600	[1] 20,630
Midwest City	4	1,424,057.65	1,179,394.55	(244,663)	12,010,016	600,500
Cache Independent School District No. 1.	4	68,111.54	58,158.01	(9,954)	395,500	19,774
Lawton Independent School District.	4	2,045,881.86	1,834,306.84	(211,575)	2,937,283	146,864
Choctaw I-4	4	161,595.01	119,769.93	(41,825)	2,880,150	94,008
Shawnee I-93	4	14,257.47	76,740.80	(37,516)	3,199,680	[1] 159,985
I-29	4	226,057.00	153,240.00	(72,817)	5,290,000	[1] 264,500
Elgin I-16	4	87,509.67	74,988.62	(12,521)	460,500	23,025
Harrah	4	69,970.04	51,541.66	(18,428)	1,300,478	[1] 65,024
Dale School District Pottawatomif County I-2.	4	26,347.35	17,254.28	(9,093)	290,101	14,505
Lexington	4	11,784.90	7,138.56	(4,646)	396,500	[1] 19,825
Purcell I-15	4	14,121.41	8,957.84	(5,163)	585,000	[1] 29,250
Altus I-18	4	800,403.09	749,866.75	(50,536)	2,500,000	175,000
Broxton	4	39,538.18	39,283.08	(255)	165,250	8,263
Carnegie Independent School District No. 33.	4	97,328.64	93,175.88	(4,152)	645,500	32,275
Bangor Independent School District No. 15.	4	22,115.79	21,160.47	(956)	290,261	14,543
Southside	4	2,327.47	1,915.85	(411)	198,250	[1] 9,913
I-27	6	38,365.41	23,984.24	(14,321)	1,705,850	[1] 85,292
Tipton I-8	6	2,961.60	2,448.02	(514)	342,500	[1] 17,125
Verden	6	6,244.24	8,556.55	(2,313)	NA	NA
Enid Public Schools, I-57	6	255,955.10	195,646.22	(30,309)	5,022,650	[1] 251,133
Mountain View	6	22,017.30	22,017.30	0	360,800	18,040
Kod Rock	6	17,600.90	17,185.95	(415)	188,500	9,425
Burns Flat Independent School District No. 7.	6	123,706.00	110,393.00	(12,813)	389,000	19,450
Sentinel	6	3,769.76	2,699.24	(1,071)	365,580	[1] 18,279
Marland I-5	6	9,531.86	10,806.24	[1] 1,275	190,500	9,525
North Enid Independent School District No. 42.	6	18,626.85	14,198.11	(4,429)	583,600	[1] 29,180
I-5	6	4,132.38	3,163.58	(968)	162,750	[1] 8,138
No. 57	6	3,596.20	2,327.43	(1,269)	160,000	[1] 8,000
Moore	9	288,299.39	216,536.38	(71,763)	5,789,000	[1] 289,450
Betham, Independent School District No. 88.	139	11,368.91	8,210.89	(3,158)	490,500	[1] 24,525
Crutcho	225	9,697.23	7,693.72	(2,003)	170,000	[1] 8,500
Millwood	225	33,390.72	24,470.82	(8,920)	690,000	[1] 34,500
I-17	OK	5,336.27	4,573.90	(762)	NA	NA

See footnotes at end of table.

State and school district	Congressional District	1974-75 Old law	1974-75 New law tier 2	1974-75 Difference	1974-75 Total estimated cost of education	Administration 5 percent reduction on TCE
OREGON						
Paisley School District No. 11C	2	6, 169. 06	8, 624. 91	+2, 456	257, 949	¹ 12, 897
Vale District U-3	2	9, 642. 50	7, 066. 48	(2, 577)	447, 549	¹ 22, 377
School District No. 1	2	18, 081. 68	13, 495. 88	(4, 586)	2, 228, 709	¹ 111, 435
Union High School District No. 2	2	39, 331. 25	29, 517. 68	(9, 813)	2, 327, 223	¹ 116, 361
Hood River County School District No. 1	2	57, 081. 16	37 165. 76	(19, 915)	3, 895, 683	¹ 194, 784
Pendleton No. 16R	2	85, 780. 89	73, 493. 09	(12, 288)	4, 265, 285	¹ 213, 264
Hermiston No. 8R	2	63, 944. 79	52, 846. 31	(11, 099)	3, 130, 287	¹ 156, 514
Wasco Co. School District No. 12	2	46, 027. 71	32, 355. 44	(13, 673)	2, 951, 069	¹ 147, 553
Sisters School District No. 6	2	14, 288. 56	10, 922. 65	(3, 366)	370, 287	¹ 18, 514
Morrow County School District	2	11, 116. 79	8, 145. 91	(2, 970)	1, 623, 610	¹ 81, 180
Union District No. 5	2	18, 575. 00	13, 613. 00	(4, 962)	568, 669	¹ 28, 433
Pleasant Hill School District	4	19, 792. 50	14, 504. 88	(5, 288)	1, 584, 973	¹ 79, 249
Roseburg School District No. 4	4	116, 916. 11	85, 792. 01	(31, 119)	6, 050, 290	¹ 302, 515
Estacada Union High UH6	4	35, 832. 92	27, 983. 74	(7, 849)	1, 266, 011	¹ 63, 301
Medford 549C	4	143, 413. 06	107, 033. 14	(36, 380)	10, 083, 105	¹ 504, 155
Central Point No. 6	4	32, 625. 54	24, 276. 94	(8, 349)	3, 765, 249	¹ 188, 262
McKenzie River School District No. 68	4	49, 159. 74	39, 184. 14	(9, 975)	889, 008	¹ 44, 450
Portland, Oreg	136	255, 899. 86	268, 890. 38	+13, 001	78, 003, 129	¹ 3, 900, 156
PENNSYLVANIA						
Ridley	7	48, 497. 23	39, 244. 52	(9, 252)	10, 515, 552	¹ 525, 778
Southeast Delco	7	42, 364. 07	31, 459. 83	(10, 904)	7, 427, 892	¹ 371, 395
Centennial	8	363, 001. 00	330, 181. 00	(32, 810)	14, 302, 500	¹ 715, 125
Central Bucks	8	84, 582. 16	61, 270. 68	(23, 311)	13, 750, 337	¹ 687, 517
Hatboro-Horsham	8	64, 648. 04	45, 103. 30	(19, 545)	5, 985, 484	¹ 299, 274
Upper Moreland Township	8	65, 824. 03	42, 053. 23	(23, 770)	5, 585, 078	¹ 279, 254
Tuscarora	9	72, 832. 81	49, 7[illegible]	(23, 127)	3, 037, 914	¹ 151, 896
Tussey Mountain	9	14, 399. 61	8, 875. 04	(5, 520)	1, 868, 818	¹ 93, 440
Mid Valley	10	23, 477. 63	18, 238. 78	(5, 239)	2, 102, 011	¹ 105, 011
Old Forge	10	37, 562. 40	23, 003. 29	(14, 559)	11, 000, 000	¹ 55, 000
Wyoming Area	11	38, 036. 27	24, 706. 64	(13, 329)	3, 410, 497	¹ 170, 525
Wyoming Valley West	11	49, 459. 53	34, 491. 06	(14, 969)	8, 658, 177	¹ 432, 909
Churchill Area	14	33, 348. 26	26, 511. 86	(6, 837)	6, 394, 538	¹ 319, 711
Halifax Area	15	8, 764. 98	5, 309. 22	(3, 456)	1, 135, 954	¹ 56, 798
Harrisburg	17	117, 670. 80	74, 051. 22	(43, 620)	(14, 247, 129)	¹ 721, 356
Cumberland Valley	19	211, 128. 91	175, 518. 98	(35, 610)	7, 088, 757	¹ 354, 438
Mechanicsburg Area	19	123, 715. 09	90, 160. 57	(33, 554)	4, 354, 159	¹ 217, 710
Northern York County	19	24, 628. 00	14, 915. 00	(9, 713)	2, 166, 342	¹ 108, 317
South Middleton	19	28, 180. 56	20, 995. 33	(7, 186)	1, 914, 006	¹ 95, 700
Baldwin-Whitehall	20	62, 815. 64	53, 842. 88	(8, 973)	10, 268, 458	¹ 513, 422
Clairton City	20	1, 366. 63	1, 848. 02	+481	3, 005, 207	¹ 150, 260
West Jefferson Hills	20	61, 724. 00	45, 521. 60	(16, 203)	4, 201, 518	¹ 210, 075
New Kensington-Arnold	21	16, 486. 50	29, 515. 16	+13, 029	5, 961, 024	¹ 298, 051
Penn Hills	21	52, 247. 62	39, 274. 94	(12, 973)	15, 016, 444	¹ 750, 822
Peters Township	22	24, 794. 93	15, 811. 45	(8, 984	3, 516, 968	175, 848
Bradford Area	23	13, 161. 24	19, 821. 00	+6, 660	5, 621, 223	¹ 281, 061
Sharpsville Area	24	1, 669. 52	6, 812. 32	+5, 143	2, 202, 463	¹ 110, 123
Big Beaver Falls Area	25	4, 262. 49	32, 408. 27	+28, 146	4, 186, 063	¹ 209, 303
Borough of Aliquippa	25	0	38, 751, 44	+38, 731	3, 815, 690	¹ 190, 785
RHODE ISLAND						
Mumford School Annex	1	413, 188. 00	419, 436. 00	+6, 248	6, 872, 234	343, 612
Portsmouth	1	248, 885. 00	203, 151. 00	(45, 734)	3, 780, 704	189, 035
Pawtucket	1	24, 244. 30	61, 055. 11	+36, 811	12, 457, 357	¹ 622, 868
Warwick School Committee	2	73, 083. 12	45, 327. 97	(27, 755)	22, 561, 211	¹ 1, 128, 061
Exeter-West Greenwich	2	6, 915. 39	5, 356. 13	(1, 559)	1, 262, 270	¹ 63, 114
SOUTH CAROLINA						
Beaufort County	1	531, 012. 02	460, 839. 47	(70, 173)	4, 940, 217	247, 011
Charleston County	1	2, 888, 403. 03	3, 158, 225. 77	+269, 823	32, 303, 268	1, 615, 163
Richland District 1	2	324, 264. 93	325, 491. 90	+1, 227	26, 181, 889	¹ 1, 309, 094
Barnwell No. 45	2	43, 925. 76	32, 435. 65	(11, 490)	1, 708, 823	¹ 85, 441
McCormick No. 4	3	25, 146. 23	19, 913. 53	(6, 233)	938, 772	¹ 46, 939
Aiken County	3	530, 144. 64	371, 426. 93	(158, 718)	14, 222, 050	¹ 711, 105
Greenville County	4	54, 996. 48	98, 894. 49	+43, 894	41, 308, 968	¹ 2, 065, 448
Horry County	6	206, 210. 43	183, 893. 14	(22, 317)	9, 299, 875	¹ 464, 994

See footnotes at end of table.

State and school district	Congressional District	1974-75 Old law	1974-75 New law tier 2	1974-75 Difference	1974-75 Total estimated cost of education	Administration 5 percent reduction on TCE
SOUTH DAKOTA						
Brookings Independent No. 122	1	14, 324. 64	10, 488. 15	(3, 837)	2, 348, 000	117, 400
Sioux Falls Independent School District No. 1.	1	114, 991. 29	86, 138. 65	(28, 852)	12, 880, 879	644, 044
Hyde County Independent District No. 1.	2	7, 294. 36	4, 500. 11	(2, 794)	530, 266	26, 513
West River Independent School District No. 18.	2	81, 576. 92	69, 192. 45	(12, 385)	595, 350	29, 767
Consolidated School District No. 3.	2	39, 436. 40	34, 983. 29	(4, 453)	101, 000	5, 050
Bennett County High School	2	26, 357. 00	22, 723. 46	(3, 734)	267, 050	13, 353
Mobridge Independent No. 13	2	14, 588. 72	10, 877. 65	(3, 711)	825, 724	41, 286
Martin Common No. 2	2	51, 641. 27	44, 314. 55	(7, 327)	322, 730	16, 137
Hot Springs Independent No. 10	2	81, 640. 14	62, 606. 69	(19, 033)	873, 677	43, 684
McLaughlin Independent No. 21	2	168, 716. 67	163, 272. 22	(5, 444)	566, 168	28, 308
Tedd County Independent	2	787, 317. 22	776, 598. 38	(10, 719)	1, 753, 060	87, 653
Timber Lake Independent No. 2	2	51, 783. 10	17, 835. 60	(3, 948)	113, 758	5, 688
Smee Independent No. 4	2	108, 126. 16	107, 896. 88	(229)	187, 440	9, 372
TENNESSEE						
Hawkins County	1	54, 103. 68	41, 309. 76	(12, 794)	3, 085, 013	154, 251
Sullivan County	1	190, 760. 81	126, 762. 20	(63, 999)	11, 616, 520	580, 826
Bristol City	1	38, 090. 95	34, 773. 69	(3, 317)	3, 819, 095	190, 955
Washington County	1	73, 031. 04	50, 586. 83	(22, 444)	5, 229, 269	261, 463
Maryville City Schools	2	21, 248. 64	23, 033. 79	+1, 785	1, 771, 033	88, 552
Anderson County	3	309, 458. 61	236, 380. 67	(73, 078)	5, 151, 319	257, 566
Richard City and Deptford Independent	3	11, 452. 89	4, 033. 68	(7, 419)	75, 627	3, 781
Oak Ridge public schools	3	650, 111. 43	476, 627. 49	(173, 484)	5, 996, 501	299, 825
Murfreesboro City	4	30, 145. 00	28, 816. 00	(1, 332)	1, 925, 856	96, 293
Lebanon 10th District	4	3, 964. 04	14, 659. 64	+10, 695	1, 269, 328	63, 466
Franklin County	4	152, 668. 58	93, 898. 01	(58, 771)	2, 610, 426	130, 521
Tullahoma City	4	273, 477. 21	204, 699. 83	(68, 777)	2, 403, 510	120, 176
802	4	15, 483. 69	10, 011. 87	(5, 472)	609, 074	30, 454
Coffee County	4	93, 029. 76	67, 945. 96	(25, 084)	1, 792, 856	89, 643
Lincoln County	4	40, 890. 24	11, 946. 10	(28, 944)	2, 480, 047	124, 002
Fayetteville City	4	11, 700. 68	9, 908. 05	(1, 793)	724, 270	36, 214
Cannon County	4	17, 677. 44	11, 679. 35	(5, 998)	808, 090	40, 405
Clay County	4	9, 846. 27	8, 856. 99	(989)	716, 599	35, 830
Hardin County	6	25, 124. 97	14, 957. 66	(10, 167)	2, 079, 643	103, 982
Clarksville-Montgomery County	6	696, 307. 47	583, 327. 65	(112, 979)	8, 515, 947	425, 797
Union City Board of Education	7	2, 674. 50	7, 658. 02	(4, 983)	1, 682, 168	84, 108
Atwood Special	7	18, 748. 80	13, 740. 30	(5, 009)	238, 034	11, 902
McKenzie	7	23, 850. 51	17, 633. 24	(6, 218)	710, 323	35, 516
Humboldt City Schools	7	53, 210. 73	49, 889. 39	(3, 322)	1, 840, 564	92, 028
Milan City	7	94, 534. 62	76, 474. 86	(18, 059)	1, 237, 585	61, 879
Weakley County	7	28, 790. 11	32, 123. 21	+3, 333	2, 433, 130	121, 657
Jackson City Schools	7	34, 426. 00	56, 896. 00	+22, 470	4, 615, 627	230, 781
Dyer County	7	13, 927. 68	5, 854. 24	(8, 073)	1 922 298	96, 115
TEXAS						
Broaddus	1	11, 135. 50	8, 418. 82	(2, 717)	286, 063	14, 303
Hubbard Consolidated School District	1	8, 571. 00	6, 281. 00	(2, 290)	55, 743	2, 787
Karnack	1	23, 748. 48	17, 404. 25	(6, 344)	444, 370	22, 219
Leary Consolidated School District	1	15, 356. 00	11, 254. 00	(4, 102)	85, 342	4, 267
Liberty-Eylau Independent School District	1	90, 629. 32	67, 945. 70	(22, 683)	1, 995, 186	99, 759
Malta Consolidated School District	1	11, 428. 00	8, 375. 00	(3, 053)	51, 829	2, 591
Marshall Independent School District	1	82, 953. 62	61, 386. 13	(21, 568)	4, 272, 882	213, 644
New Boston Independent School District	1	112, 129. 40	83, 123. 45	(29, 006)	928, 621	46, 431
Pleasant Grove Consolidated School District	1	42, 854. 00	31, 406. 00	(11, 448)	426, 636	21, 332
Red Lick Consolidated School District	1	13, 213. 00	9, 684. 00	(3, 529)	85, 663	4, 283
Simms Consolidated School District	1	28, 212. 00	20, 676. 00	(7, 536)	271, 592	13, 580
Denison Independent	4	22, 173. 37	25, 822. 72	+3, 650	4, 263, 585	213, 179
McKinney Independent School District	4	15, 740. 18	14, 439. 17	(1, 301)	985, 705	49, 285

See footnotes at end of table.

State and school district	Congressional District	1974-75 Old law	1974-75 New law tier 2	1974-75 Difference	1974-75 Total estimated cost of education	1974-75 Administration 5 percent reduction on TCE
TEXAS—Continued						
Cedar Hill	6					
Crowley Independent School District	6	13,634.85	10,054.84	(3,580)	776,648	[1] 38,832
Desoto—057 906	6	41,965.00	31,280.00	(10,585)	3,386,939	[1] 169,347
Joshua Independent School District	6	31,180.14	23,160.77	(8,019)	1,860,360	[1] 93,018
Clear Creek Independent School District	9	8,419.11	5,141.04	(3,278)	830,263	[1] 41,513
Dickinson Independent School District	9	629,557.92	467,394.81	(162,163)	10,190,471	[1] 509,524
Friendswood Independent School District	9	72,493.58	45,090.93	(27,403)	3,791,849	[1] 189,592
084 Galveston	9	120,349.44	73,884.83	(46,464)	1,784,628	[1] 89,231
Austin Independent	10	6,785.27	6,203.67	(581)	11,206,973	[1] 560,349
Del Valle Independent School District	10	559,840.96	505,493.98	(54,347)	47,435,467	[1] 2,371,773
Academy Independent School District	11	531,613.56	517,237.80	(14,376)	2,852,554	142,628
Copperas Cove Independent School District	11	8,570.88	6,281.28	(2,290)	272,889	[1] 13,644
Gatesville Independent School District	11	612,456.87	530,875.42	(81,582)	2,521,146	126,057
Granbury Independent School District	11	80,466.81	54,704.38	(25,763)	1,219,277	[1] 60,964
Killeen Independent School District	11	9,874.19	6,364.26	(3,510)	314,734	[1] 15,737
Lampasas Independent School District	11	2,948,450.84	2,784,688.81	(163,762)	7,545,395	377,270
Robinson Independent School District	11	131,250.31	101,506.12	(29,744)	1,450,000	72,500
Azle Independent School District	12	17,856.00	13,057.57	(4,799)	805,709	[1] 40,285
Panhandle Independent School District	13	59,639.04	45,304.73	(14,334)	1,760,248	[1] 88,012
Sanford Independent School District	13	24,305.59	6,765.65	(7,540)	767,879	[1] 38,393
Texline Independent School District	13	7,320.96	5,431.79	(1,889)	990,000	[1] 49,500
Wichita Falls Independent School District	13	872.38	767.69	(104)	253,848	[1] 12,692
Robstown	14	697,199.57	627,810.73	(69,389)	11,809,079	590,454
Kirbyville Independent School District	15	22,950.85	25,666.74	+2,716	2,478,857	[1] 123,943
Mission Consolidated-Indepeadent School District	15	253,732.83	216,575.17	(37,158)	5,694,771	[1] 284,739
San Benito Consolidated-Independent School District	15	32,226.51	32,394.92	+168	2,873,856	[1] 143,693
Abilene Independent School District	17	10,910.80	22,024.65	(11,114)	2,989,943	[1] 149,497
Big Spring Independent School District	17	819,231.93	770,370.08	(48,862)	13,436,990	671,850
Brock Independent School District 184-909	17	338,349.00	304,878.00	(33,491)	5,607,165	280,358
Santo Independent School District	17	2,499.84	1,738.66	(762)	137,035	[1] 6,852
San Angelo Independent School District	21	3,749.76	2,702.63	(1,047)	191,771	[1] 9,589
San Felipe Del Rio Consolidated Independent School District	21	281,946.20	238,568.60	(43,377)	10,007,596	[1] 500,380
Pearland Independent School District	22	440,098.00	410,031.00	(30,067)	4,362,951	218,148
Laredo Independent School District	23	33,019.32	20,419.53	(12,599)	3,074,997	[1] 153,750
Medina Valley Independent School District	23	80,088.44	63,929.30	(16,159)	9,638,841	[1] 481,942
Poteet Independent School District	23	32,177.59	21,327.47	(10,850)	930,832	[1] 46,542
Poth Independent School District	23	16,914.57	13,443.85	(3,471)	714,252	[1] 35,713
Schertz-Cibolo-Universal City	23	3,324.68	2,807.45	(518)	136,496	[1] 6,825
Mansfield Independent School District	24	383,904.00	316,281.04	(67,623)	2,751,203	137,560
Edgewood Independent School District	144	36,604.80	26,826.10	(9,778)	2,000,000	[1] 100,000
Northside Independent School District	144	651,539.63	580,147.65	(71,391)	13,015,228	[1] 650,761
		1,694,501.49	1,356,972.63	(337,528)	17,533,386	876,669

See footnotes at end of table.

State and school district	Congressional District	1974-75 Old law	1974-75 New law tier 2	1974-75 Difference	1974-75 Total estimated cost of education	Administration 5 percent reduction on TCE
TEXAS—Continued						
Southwest Independent School District	144	270,743.39	221,130.94	(49,612)	2,000,000	100,000
Judson Independent School District No. 916	229	490,682.88	409,865.42	(80,818)	4,694,940	234,742
Birdville Independent School District	233	175,601.27	135,515.85	(40,085)	9,520,115	476,006
Kennedale Independent School District	234	8,571.00	6,281.00	(2,290)	527,421	26,371
Dallas Independent School District	237	550,041.21	776,816.01	+226,775	119,017,137	5,950,857
UTAH						
Box Elder County School District	1	418,258.94	286,217.88	(132,041)	6,378,255	318,913
Emery County School District	1	80,958.00	60,044.00	(20,914)	1,537,950	76,898
Davis County School District	1	2,465,449.29	1,941,952.74	(523,546)	25,360,936	1,268,047
Duchesne County School District	1	94,432.26	75,125.84	(19,305)	2,751,617	137,581
Wayne School District	1	25,900.18	20,049.38	(5,857)	508,190	25,410
Grand	1	118,181.00	79,937.00	(38,244)	1,459,746	72,987
Morgan County School District	1	74,961.27	46,192.58	(28,768)	941,425	47,071
Logan	1	29,480.26	19,454.90	(10,025)	2,903,800	145,190
Weber County School District	1	1,465,896.40	1,089,022.75	(376,874)	13,661,361	683,068
Ogden City School District	1	773,343.36	578,718.33	(194,625)	11,254,482	562,729
Tooele County School District	2	806,808.00	650,066.00	(156,742)	5,271,680	263,584
Carbon School District	2	137,670.00	97,692.00	(39,978)	3,092,753	154,638
Murray City School District	2	59,639.00	41,800.00	(17,839)	4,200,000	210,000
South Summit School District	1	(3)	(3)	(3)	(3)	(3)
VIRGINIA						
Gloucester County	1	288,318.80	210,884.85	(77,434)	2,540,303	127,015
King and Queen County	1	9,647.61	6,169.13	(3,478)	999,000	49,950
Hampton	1	2,073,153.84	1,728,215.56	(344,938)	26,663,562	1,333,178
New Kent County	1	20,534.40	15,048.90	(5,485)	1,154,660	57,733
Newport News	1	1,393,839.36	1,602,748.90	+208,910	27,673,609	1,383,680
York County	1	1,347,079.00	1,203,989.01	(143,090)	7,854,578	392,729
Williamsburg-James City	1	110,100.93	83,600.11	(26,500)	4,417,643	220,882
Norfolk Public	2	4,098,678.00	3,993,732.00	(104,946)	44,761,641	2,238,082
Richmond City public	3	331,262.37	897,750.71	+566,488	43,413,283	2,170,664
Dinwiddie County	4	68,148.62	45,029.57	(23,119)	4,218,000	210,900
Hopewell City	4	117,313.92	88,527.14	(28,787)	4,303,742	215,187
Isle of Wight County	4	23,906.51	16,427.92	(7,479)	3,158,837	157,942
Portsmouth City	4	1,101,000.00	965,438.00	(135,562)	19,383,619	969,181
Floyd County No. 031	4	26,146.00	19,160.00	(6,986)	1,331,353	66,568
Lunenburg County	5	12,409.92	8,468.63	(4,001)	1,800,796	90,039
Roanoke City	6	81,237.12	80,764.03	(473)	17,429,605	871,480
Charlottesville	7	24,105.60	26,595.67	+2,490	6,873,520	343,676
Clarke County	7	17,427.41	14,702.04	(2,725)	1,822,605	91,130
Harrisonburg City No. 113	7	13,655.00	18,783.90	+5,129	2,482,476	124,124
Fauquier County	7	236,671.34	194,091.57	(42,580)	5,197,707	259,885
Alexandria City	8	1,232,405.00	733,238.00	(499,163)	21,760,950	1,088,047
Prince William County	8	1,966,658.67	1,408,467.24	(558,191)	33,701,480	1,685,074
Bland County	9	11,606.40	7,030.40	(4,576)	780,249	39,012
Carroll County	9	39,789.00	24,540.00	(15,249)	3,633,272	181,664
Craig County	9	12,164.75	8,452.50	(3,712)	544,874	27,244
Giles County	9	39,818.88	24,659.38	(15,159)	3,029,862	151,493
Wythe County	9	46,782.72	32,303.59	(14,479)	3,700,000	185,000
Fairfax City	10	333,797.00	166,268.00	(167,529)	6,226,589	311,329
Arlington County	10	2,233,683.54	1,001,313.10	(1,232,370)	40,084,165	2,004,208
Fairfax County	8	16,407,709.50	8,992,400.50	(2,921,115)	143,773,671	7,188,683
City of Virginia Beach	107	4,698,617.40	4,035,132.58	(663,485)	31,179,144	1,558,957
WASHINGTON						
Darrington	2	40,598.79	30,594.80	(10,004)	717,664	35,883
Edmonds	2	104,204.10	77,263.13	(26,941)	27,410,674	1,370,533
Ferndale	2	146,307.80	122,454.79	(23,853)	3,426,310	171,315
Granite Falls	2	5,642.10	4,424.20	(1,218)	629,484	31,474
Marysville	2	64,900.00	52,323.00	(12,577)	4,291,809	214,590
Mount Baker	2	19,916.46	18,579.50	(1,337)	1,451,885	72,594
Nooksack Valley	2	568,968.33	568,968.33	0	982,383	49,119
Northshore	2	71,001.60	54,189.12	(16,812)	11,877,799	593,890
Sedro Woolley	2	17,138.38	13,348.15	(3,790)	3,076,331	153,816
South Whidbey	2	10,724.20	8,363.02	(2,361)	1,084,550	54,228

See footnotes at end of table.

State and school district	Congressional District	1974-75 Old law	1974-75 New law tier 2	1974-75 Difference	1974-75 Total estimated cost of education	Administration 5 percent reduction on TCE
WASHINGTON—Continued						
Cape Flattery	3	149,241.85	46,772.35	(2,470)	1,258,645	62,932
Crescent	3	4,692.51	3,682.09	(1,010)	293,052	[1] 14,653
Eatonville	3	29,346.38	23,454.03	(5,892)	1,112,900	[1] 55,695
Elma	3	316,974.00	316,974.00	0	1,270,027	63,502
North Mason	3	67,636.00	43,031.00	(24,605)	1,227,702	[1] 61,385
Port Angeles	3	55,742.17	54,797.38	(945)	4,648,710	[1] 232,435
Rainier	3	7,765.80	5,448.37	(2,317)	449,223	[1] 22,461
Tahoiah	3	102,244.29	101,637.19	(1,207)	413,141	20,657
Ephrata	4	32,031.72	24,709.50	(8,122)	1,839,828	[1] 91,991
Grand Coulee Dam	4	205,762.75	161,494.15	(44,269)	1,416,060	[1] 70,803
Granger	4	64,009.11	59,849.19	(4,160)	1,039,344	51,967
Mathew Valley	4	34,339.15	26,195.61	(8,144)	704,619	[1] 35,231
Moses Lake	4	272,229.37	212,475.35	(59,753)	4,853,199	[1] 242,659
Mount Adams	4	216,752.00	232,075.46	+15,323	1,155,811	57,791
Prosser Consolidated	4	30,977.66	23,485.87	(7,492)	1,571,795	[1] 78,590
Quincy	4	15,606.53	14,047.59	(1,559)	1,699,487	[1] 84,994
Richland	4	715,558.00	525,160.00	(190,398)	7,689,298	384,465
Royal	4	18,939.14	18,108.54	(831)	813,304	[1] 40,665
Sunnyside	4	38,056.50	33,142.37	(4,912)	3,386,000	[1] 169,300
Toppenish	4	143,784.38	130,337.77	(13,447)	2,783,077	[1] 139,154
Wahluke	4	2,390.47	1,919.82	(471)	86,358	[1] 4,318
Wapato	4	266,680.22	226,244.97	(435)	3,028,347	151,417
White Salmon Valley	4	27,294.41	20,612.28	(6,682)	1,148,948	[1] 57,447
Yakima	4	72,018.55	51,707.56	(20,311)	13,315,211	[1] 665,761
Almira	5	10,519.04	6,548.65	(3,970)	260,672	[1] 13,034
Cheney Joint Consolidated	5	289,660.34	274,414.00	(15,246)	3,140,430	157,022
Cusick	5	23,139.02	21,657.32	(1,482)	479,513	[1] 23,976
Kettle Falls	5	18,120.20	13,444.01	(4,676)	564,587	[1] 28,229
Mead	5	832.05	713.20	(119)	4,305,261	[1] 215,263
Medical Lake	5	708,778.00	696,258.00	(12,520)	2,509,725	125,486
Newport Consolidated Joint	5	8,822.38	5,752.41	(3,070)	1,008,958	[1] 50,447
Pasco	5	126,314.95	90,633.44	(35,682)	4,901,540	[1] 245,077
Pomeroy	5	20,235.09	6,732.05	(13,503)	605,540	[1] 30,277
Walla Walla	5	91,875.64	68,122.26	(23,753)	6,242,352	[1] 312,118
Wilbur	5	21,856.56	16,584.22	(5,272)	519,395	[1] 25,970
Tremerton ICO-C	6	829,388.23	651,351.95	(178,037)	7,606,877	380,343
Central Kitsap	6	854,464.54	751,549.41	(102,915)	4,453,415	222,671
Fife	6	14,666.27	10,850.57	(3,816)	2,240,789	[1] 112,039
Peninsula	6	76,994.10	57,896.10	(18,098)	4,089,194	[1] 204,459
South Kitsap	6	633,461.81	467,612.05	(165,850)	6,028,663	301,433
Stellacoom	6	94,676.41	77,018.10	(17,058)	524,887	26,244
Franklin Pierce	101	206,570.28	177,065.03	(29,505)	9,168,375	[1] 458,418
Lake Washington	137	113,999.70	94,247.45	(19,752)	21,516,515	[1] 1,075,826
North Franklin	Not available.	17,139.57	14,503.84	(2,636)	(3)	(3)
WEST VIRGINIA						
Randolph County	2	97,441.84	100,348.49	+2,906	4,878,899	[1] 243,945
Tucker County Board of Education.	2	32,205.80	24,499.06	(7,706)	1,070,325	[1] 53,516
WISCONSIN						
Portage Public School	2	19,448.50	6,979.09	(12,469)	2,702,710	[1] 135,136
Junction School District No. 1—City of Sparta	3	94,375.00	74,029.73	(20,346)	2,185,358	[1] 109,267
Tomah Public School Consolidated School District J No. 1.	3	191,634.08	142,522.82	(49,122)	1,187,616	59,380
Richland Public Schools	3	6,547.23	4,758.37	(1,789)	3,623,485	[1] 181,174
Norwalk-Ontario, Sheldon	3	6,062.50	4,442.75	(1,620)	643,900	[1] 32,195
Junction District No. 2	3	709.66	658.55	(51)	2,048,485	[1] 102,424
Milw. Public Schools	4, 5	185,309.00	375,657.00	+190,348	147,980,000	[1] 7,399,000
Junction School District No. 1-Mauston	6	15,805.49	10,037.76	(5,767)	1,696,232	[1] 84,812
Washburn Public Schools	7	5,757.59	6,068.03	+310	628,048	[1] 31,402
Ashland	7	69,529.85	68,181.71	(1,348)	2,330,047	[1] 116,502
Crandon Joint District No. 1	8	80,903.30	66,874.83	(14,029)	949,228	47,461
Sturgeon Bay	8	11,640.00	9,705.45	(1,935)	1,575,634	[1] 78,782
Joint School District No. 2	8	29,219.03	31,497.00	+2,278	1,904,983	[1] 95,249

See footnotes at end of table.

State and school district	Congressional District	1974-75 Old law	New law, tier 2	Difference	Total estimated cost of education	Administration 5 percent reduction on TCE
WYOMING						
No. 14 Freemont County	157	366, 413. 43	363, 093. 15	(3, 320)	639, 000	31, 950
Laramie County School District No. 1	157	964, 677. 94	852, 312. 65	(112, 365)	8, 888, 729	444, 436
No. 2 Fremont County	157	19, 050. 78	14, 785. 11	(4, 266)	594, 000	[1] 29, 700
No. 38 Fremont County	157	216, 097. 73	219, 277. 79	+3, 181	575, 691	28, 785
No. [illegible] Fort Washakie	157	286, 249. 33	288, 388. 64	+2, 139	589, 422	29, 471
No. 1 Sheridan County	157	13, 745. 77	10, 853. 29	(2, 892)	807, 942	[1] 40, 397
No. 6 Uinta County	157	55, 334. 00	35, 077. 45	(20, 257)	537, 221	26, 861
Lander Valley High School, Fremont County	157	53, 901. 72	44, 720. 43	(9, 181)	1, 185, 445	[1] 59, 272
No. 9 Fremont County	157	28, 562. 22	1, 212. 72	(7, 350)	275, 000	13, 750
No. 6 Fremont County	157	72, 974. 25	37, 522. 24	(35, 452)	819, 377	[1] 40, 968
No. 1 Hog Springs County	157	128, 787. 08	98, 770. 72	(30, 017)	1, 702, 211	85, 110
No. 1 Fremont County	157	20, [illegible]	14, 888. 03	(5, 233)	1, 323, 910	[1] 66, 195
No. 2 Laramie County	157	7, 292. 01	5, 344. 02	(1, 948)	1, 302, 982	[1] 65, 149
No. 9 Sublette County	157	106, 923. 66	82, 005. 55	(24, 918)	944, 500	47, 225
No. 1 Natrona County	157	137, 244. 98	104, 023. 81	(33, 221)	12, 989, 816	[1] 649, 491
No. 2 Carbon County	157	205, 350. 43	153, 200. 40	(52, 150)	2, 434, 450	121, 723
No. 1 Carbon County	157	83, 049. 00	62, 740. 66	(20, 309)	2, 886, 289	[1] 144, 314
No. 1 Albany County	157	55, 044. 72	42, 039. 50	(13, 005)	4, 644, 181	[1] 232, 209
No. 1 Sublette County	157	19, 161. 47	14, 312. 20	(4, 849)	750, 000	[1] 37, 500
No. 1 Teton County	157	71, 269. 12	58, 683. 09	(12, 586)	1, 824, 244	[1] 91, 212
No. 2 Sweetwater County	157	135, 961. 81	101, 134. 12	(34, 827)	2, 061, 300	[1] 103, 065
No. 4 Uinta County	157	23, 207. 4	17, 820. 41	(5, 750)	560, 923	[1] 28, 046
No. 2 Sheridan County	157	69, 741. 3[illegible]	53, 127. 25	(16, 614)	3, 459, 475	[1] 172, 973
No. 1 Lincoln County	157	31, 201. 31	21, 040. 81	(10, 161)	3, 212, 639	[1] 160, 618
Sweetwater County School District No. 1.	157	109, 508. 04	89, 893. 44	(19, 615)	4, 744, 976	[1] 238, 748

[1] Indicates total program elimination under administration proposal
[2] No information available
[3] No qualifying student

Chairman PERKINS. I want to say that Congressman Ford is here and he will preside over these hearings a little later. He has always worked very hard on the impact legislation.

Mr. Goodling is here, of course, representing the minority. He is a great friend of education. He served on the board of education a long, long time in Pennsylvania.

Go ahead.

STATEMENT OF DR. H. DAVID FISH, SPECIAL PROJECTS DIRECTOR, SAN DIEGO CITY SCHOOLS

Dr. FISH. Thank you, Mr. Chairman. I am glad to see a former member of the school board. We work with school board members all the time, of course.

I am David Fish. I am director of special projects for the San Diego city schools and president-elect of the Impact Aid Organization.

I have prepared written testimony and would like to request permission to enter it for the record.

Chairman PERKINS. Without objection your prepared statement will be inserted in the record.

Dr. FISH. And also in response to a rather strong plea from the Douglas School District No. 3 at Ellsworth Air Force Base in South Dakota, they have prepared a statement. I would like to request——

Chairman PERKINS. Without objection that statement will be inserted in the record.

Dr. FISH. Thank you, sir.

[Statement referred to follows:]

DOUGLAS SCHOOL DISTRICT NO. 3, ELLSWORTH AIR FORCE BASE, S. DAK.

FOREWORD

This material is presented to the House of Representatives, Education and Labor Committee, to apprise them of the potentially dangerous situation that exists for the Douglas School District #3, Ellsworth Air Force Base, South Dakota, under the provisions of Title III, FEDERAL IMPACT AID PROGRAMS, PUBLIC LAW 93-380.

The Douglas Board of Education has the responsibility of providing a viable educational program for the students of this district. Consequently, there is an urgent need to resolve the financial uncertainties associated with the provisions of P.L. 93-380 which threaten the continued existence of that educational program and the District.

The Douglas School District is a heavy impact district with more than 80% of the student population composed of dependents of military personnel assigned to Ellsworth Air Force Base. The following table provides a summary of students by category for the past three years.

TABLE I.—ENROLLMENTS, DOUGLAS SCHOOL DISTRICT NO. 3 BY AVERAGE DAILY ATTENDANCE

Year	3A	3B	Subtotal	Non-Federal	Tuition	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1971-1972	2,558	308	2,866	412	1	3,279
Percent	78.02	9.40	87.42	12.57		
1972-1973	2,351	296	2,647	419	1	3,057
Percent	76.91	9.69	86.60	13.71		
1973-1974	2,205	241	2,446	445	2	2,893
Percent	76.22	8.33	84.55	15.39		

With this degree of impaction the Douglas School System relies heavily on P.L. 81-874 for its educational revenue.

The figures on the following page given a breakdown of this support and a comparison of Douglas and State per pupil average daily attendance expenditures.

Since local and state support is already at the maximum limit established by law, it is apparent that Federal revenue in the form of P.L. 81-874 is vital to the operation of this district. Provisions of the old law were designed to provide a level of support comparable to the average per pupil cost in the State. As revealed in Figure I this has not been accomplished. A restricted educational program for all students of the district has resulted from the diminishing level of federal funding.

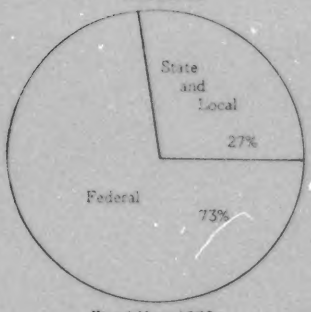
Public Law 93-380 with proposed tier funding now brings a new threat into focus.

Full funding of Tier I and II is obviously needed by this district if it is to operate at all. Douglas School would lose 40% of its total revenue without Tier II funding. But, even if these were funded, there remains another serious problem involving funding of Section 2, section 2(c)(4) and 3(c). Funding under these

COMPARISON OF
STATE AND FEDERAL SUPPORT

FIGURE I

RECEIPTS



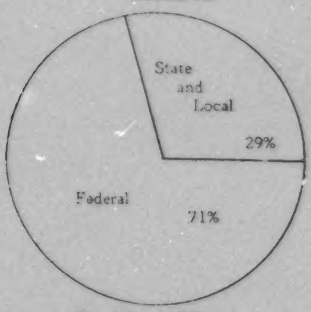
Fiscal Year 1972

EXPENDITURES

Per Pupil Average Daily Attendance

Douglas School	$838.53
State Average	799.51

RECEIPTS



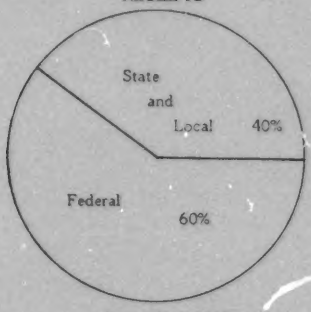
Fiscal Year 1973

EXPENDITURES

Per Pupil Average Daily Attendance

Douglas School	$851.16
State Average	858.05

RECEIPTS



Fiscal Year 1974

EXPENDITURES

Per Pupil Average Daily Attendance

Douglas School	$858.85
State Average	938.19

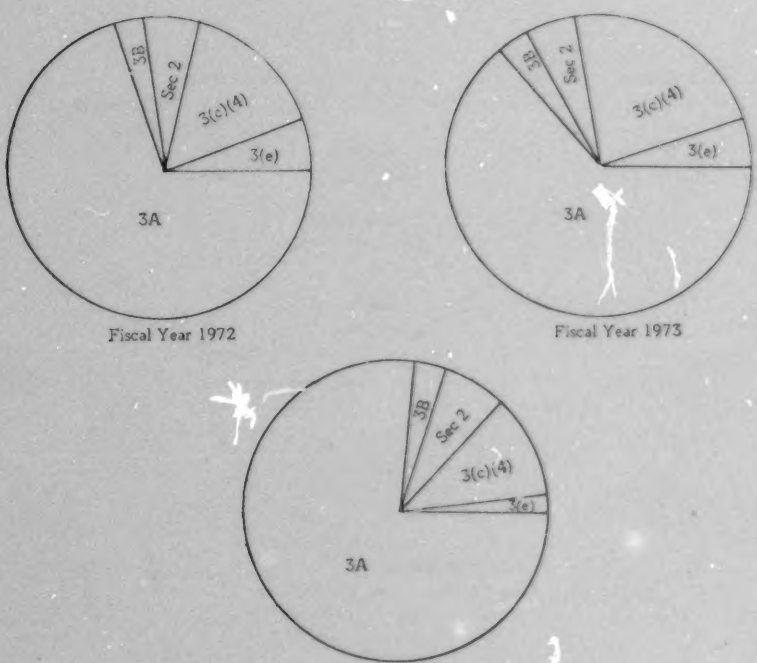
sections of the old law provided this district with a significant portion of the total operating revenue. This is shown in the following table and figure.

TABLE II.—BREAKDOWN OF FEDERAL RECEIPTS BY CATEGORY

Year	3A	3B	Section 2	3(c)(4)	3(e)
1971-1972	$1,239,249	$54,463	$98,005	$270,559	$102,700
Percent	70.22	3.09	5.56	15.53	5.82
1972-1973	1,237,557	56,641	102,554	434,393	92,159
Percent	64.48	2.96	5.35	22.64	4.81
1973-1974	1,144,488	40,653	100,294	173,859	26,874
(Projected, percent)	77.01	2.74	6.75	11.70	1.80

BREAKDOWN OF FEDERAL SUPPORT
BY
CATEGORY

FIGURE II



It is evident that approximately 25% of the total federal receipts came from those sections, and without that support, the district would have ceased to exist. Now, we understand that under the proposed tier funding Section 2 is to be funded at less than 100%, and there is apparently no reference made in P.L. 93–380 to sections 3(c)(4) and 3(e).

SUMMARIZATION

The Douglas School District must have the assurance of full-funding under Section 2, Section 3(c)(4) and 3(e). We respectfully and urgently request that this Committee include, within the language of its appropriations recommendation, provision for funding of these sections. Moreover, we support the proposed legislation submitted by the Honorable Carl Perkins to delay implementation of P.L. 93–380 until accurate statistical data is made available. The delay will provide this and other Districts the opportunity to present the financial implications of the amendments to P.L. 81–874 and allow time for legislative revisions providing these essential federal funds.

Dr. FISH. I would like to restrict my comments to a few points. Traditionally the impact aid groups have been very proud of their ability to produce facts and figures, statistics, information.

We have a great deal of confidence in our data. We think that over the years impact aid has been notable for the small degree of error both in the information we present and the effects of various Federal bills and regulations.

It has been a simple program and it has been, we believe, effective because of that reason.

Today, unlike many witnesses, I must say that I am in a point of confusion and must say I do not know many facts which I believe are necessary for the successful operation of this program in the next year.

As the chairman stated, we have not seen the guidelines yet at the local level for any of the areas of the program. We have participated in very few limited discussions. There were some regional meetings of the Office of Education.

But we still do not know and do not have confidence in what the impact aid program would look like under 93–380 next year.

We do not know the numbers. We do not know the conditions of the program. We have various concerns about the locations. And at this time we are not even confident of the number of school districts affected.

We are very aware of the basic changes in the law and the inclusion of the low-rent housing students. We support that inclusion.

The addition of the low-rent housing students is consistent with the basic philosophy of the law where the action of the Federal Government has impacted upon a local community.

We also support the inclusion of provisions for the handicapped children of military dependents. This is clearly a service provided to youngsters that is urgently needed and by having the students participating in programs we think that this does the children well and this is our basic responsibility.

We are also concerned about the area of the minor sections of the law, section 2, section 4 and the other sections. Again we are laboring under some confusion as to final guidelines. Final directions have not come out.

Douglas School District is a very good example. I think in their testimony they have 80-percent impact and already the basic premise

of impact aid has been violated in the last 3 years as funding from impact aid has declined in proportion to the cost of education.

The district's cost of education has gone actually from slightly above the national average to where they are more than $100 now below the national average for their regular programs. So already they have taken a beating. Twenty-five percent of their funding comes from the minor sections of import aid.

Therefore we are confronted with the fact that here is a school district serving an Air Force base out in South Dakota, a low-expense educational State, and already they have been hurt by the loss of the funds over the last several years from impact aid in comparison with the cost of education and now the minor sections have been neglected. We feel they have been threatened with a further loss at this time.

The final effects of this we do not know in the confusion of the bill itself.

In consideration of the problem that was encountered and in direct response to the request of the chairman of this committee we have mailed to 4,600 impact aid school districts an elaborate questionnaire which over 2,000 districts have responded to at this time.

The information is included in our testimony, the recap sheets which are laid out by State and congressional district. It includes approximately 1,400 of these reports.

This information was forwarded to the Office of Education to help them in attempting to develop an analysis, an estimate, of what it would cost to fund the complex new bill this year.

The data therefore we believe is consistent with the data that they will present possibly in terms of an entry point.

However we must stress several major problems with it.

One, it went to only the districts that are now or within the last year have been in the impact aid program. The inclusion of new school districts through the addition of the public housing students was not taken care of.

It did not go to all the school districts of this country.

Again, we have not seen the report from the Office of Education. They have in their estimates of need 688,000 low-rent housing students.

We understand that last year or possibly later the Library of Congress was estimating that there were over 900,000 low-rent housing students in this country. There is a discrepancy of approximately 220,000 between what is shown in the figures that are reported to you by the Office of Education and what had been previously estimated by the Library of Congress.

Also we must say that in dealing with the school districts, since the school districts returned the data to us, they have to say, "These are only estimates. These are only guesses when it comes to low-rent public housing students because they have never been funded before."

The districts have reported these. But frankly we did not believe that the same honest searching out of students took place that would take place in a situation in which they were funded. Many districts in major cities do not report them as part of their survey to the Office of Education.

So we are very concerned about this entry going on the data.

We also are concerned that regulations governing the handicapped program are not included. We are not opposing these sections. We must say again we are supporting these sections. However, we believe that incorporation of these two major new programs into the law for the next fiscal year is about as much orderly change as the program can accomplish.

We bring your attention to the fact that the Office of Education's staff, the SAFA staff, which has a very high reputation in the field or has had a high reputation, has been diminished in numbers and has not been replaced as retirants, illnesses and other factors have reduced the number of people working there.

At the same time a major new program must be cranked up. So at the Federal level they are not prepared. We see no preparation for meeting the challenge of the new laws.

My final statement is: impact aid is part of our general revenues. Under the conditions of the new law as you look at the tier structure and look at our data you will see the overwhelming number of school districts losing a vast amount of income at tier 2.

If the appropriation level does not reach tier 2 we are like a man who is climbing to the top of a cliff. We can't stop at a ledge. We either reach tier 2 and the funding level or we drop back down to the foothills. We drop back down to the bottom of the situation which would mean financial disaster.

In our own case in San Diego this would mean a loss of several million dollars. This is part of our basic support of education and one we cannot afford. It is not a game to us. We cannot afford a Russian roulette with our basic educational programs.

Thank you very much.

Chairman PERKINS. Mr. Husk, do you want to present your testimony at this time? Or does Mr. Bobo want to make a statement?

Dr. FISH. May we turn to Mr. Bobo at this time?

Chairman PERKINS. Go ahead.

[Prepared statement of Thomas Bobo follows:]

PREPARED STATEMENT OF THOMAS A. BOBO, DIRECTOR OF SPECIAL SERVICES, MONTGOMERY PUBLIC SCHOOLS, MONTGOMERY, ALA.

Mr. Chairman and members of the committee, I come from a section of the country that has a deep appreciation for Impact Aid and the contribution that it has made to public education. We have been studying the New Law, P.L. 93-380, as it relates to Impact Aid, and working among ourselves within the Impact Aid organization to determine its effect. I have talked with a representative group of superintendents as late as Thursday, April 3, 1975. It is their unanimous agreement that a delay until October 1, 1976, for the implementation of various amendments to the Impact Aid program, adopted by Congress last summer as a part of Public Law, 93-380, would be most beneficial. I have conferred with the following superintendents: Dr. V. M. Burkett, Huntsville City Schools, Huntsville, Alabama; Dr. Byron B. Nelson, Jr., Decatur City Schools, Decatur, Alabama; Mr. Joseph Pickard, Selma City Schools, Selma, Alabama; and Dr. W. S. Garrett, Montgomery Public Schools, City and County, Montgomery, Alabama.

There is much confusion concerning this law, its payment procedures, eligibility and hold harmless provision. This comes at a time when local boards of education are planning for the 1975-76 school year. Teachers are now being retained or dismissed for the next school year. P.L. 874 supports additional teacher units for many school systems in our state. The Montgomery system alone has 68 additional teacher units that are supported in part or totally by P.L. 874. Most of the systems in our section of the country are in a similar situation.

There is a situation in our state which involves children who attend school in the Phenix City School System, Phenix City, Alabama while their parents are working or serving at Fort Benning across the State line in Georgia. It is my understanding that the Fort Benning Base lies partially within the State of Alabama, Russell County, Alabama, where the Phenix City School System is located. However, the Phenix City School System is separate from the Russell County School System. It is the wish of the people of this area that these children be eligible for P.L. 874 funds; however, their parents do work across the State line. The Chattahoochee River is the dividing line between Alabama and Georgia in this section of the state and there is a portion of the Fort Benning military complex which lies across the Chattahoochee River from Georgia in the State of Alabama.

I point this out to state that there is confusion in the interpretation of the law. It would be most beneficial to the Phenix City School System if a major portion of the new law could be postponed and that a clear definition as to eligibility be rendered in consultation with the local school officials.

We are very interested in the public housing portion of the P.L. 93-380. However, there are uncertainties as to how the children would be counted in some cases, whether A or B. We do have some parents who live in Federal Housing and work on Federal property. The portion of the law which states that "(3) The amount of the payment to any local educational agency which is determined with respect to such agencies under paragraph (1) shall be used for special programs and projects designed to meet the special educational needs of educationally deprived children from low income families," makes the local educational system know that these funds are limited as to use. We do not know the interpretation that will be made of this portion of the law.

I point out the above uncertainties to state that it is the unanimous opinion of the people with whom I have consulted that changes in P.L. 874 be postponed for one year with the exception of public housing and additional payments for handicapped children of military parents. I believe that working cooperatively with the Department of Health, Education and Welfare, these two new portions, public housing and payment for handicapped children, could be implemented for the 1975-76 school year. I believe there are many publicly housed children who may not have been counted in the last estimate. The figures in our local system alone indicate that we have over 3,000 publicly housed children out of a student population of 36,000.

The method of funding as to Tier I, II, and III is confusing. If the Montgomery Public School System is funded only through Tier I, it would mean a loss of revenue of approximately $400,000.00. If we are funded through II, the loss would be approximately $20,000.00. This is according to our calculations using the 1974-75 amount of 874 funds as a base. I believe that most local education systems would welcome the opportunity to work cooperatively with the Department of Health, Education and Welfare to know the true dollar effect of the new law.

Mr. Chairman, I thank you and the members of this committee for your interest and understanding of the educational needs of this nation. I appreciate the opportunity of presenting these views to you.

STATEMENT OF THOMAS BOBO, DIRECTOR OF FEDERAL PROGRAMS, MONTGOMERY, ALA., PUBLIC SCHOOLS

Mr. BOBO. Thank you, Mr. Chairman, I have prepared a written statement.

I would like to go over some of the highlights of this statement orally, if I may.

Chairman PERKINS. Go ahead, without objection your statement will be inserted in the record.

Mr. BOBO. I come from a section of the country that has a deep appreciation for impact aid and the contribution that it has made to public education.

We have been studying the new law, Public Law 93-380, as it relates to impact aid and working among ourselves within the impact aid organization to determine its effect.

I have talked with a group of superintendents representative of our area. It is their unanimous opinion that this new bill should be delayed until next year.

There is much confusion concerning this law, its payment procedures, eligibility and hold-harmless provision. This comes at a time when local boards of education are planning for the 1975–76 school year. Teachers are now being retained or dismissed for the next school year.

Public Law 874 supports additional teacher units for many school systems in our State. The Montgomery system alone has 68 additional teacher units that are supported in part or totally by Public Law 874. Most of the systems in our section of the country are in a similar situation.

There is a situation in our State which involves children who attend school in the Phenix City school system, Phenix City, Ala., while their parents are working or serving at Fort Benning across the State line in Georgia.

It is my understanding that the Fort Benning base lies partially within the State of Alabama, Russell County, Ala., where the Phenix City school system is located.

However, the Phenix City school system is separate from the Russell County school system.

It is the wish of the people of this area that these children be eligible for Public Law 874 funds. However, their parents do work across the State line. The Chattachoochee River is the dividing line between Alabama and Georgia in this section of the State and there is a portion of the Fort Benning military complex which lies across the Chattahoochee River from Georgia in the State of Alabama.

I point this out to state that there is confusion in the interpretation of the law. It would be most beneficial to the Phenix City school system if a major portion of the new law could be postponed and that a clear definition as to eligibility be rendered in consultation with the local school officials.

We are very interested in the public housing portion of the Public Law 93–380. However, there are uncertainties as to how the children would be counted in some cases, whether A or B.

We do have some parents who live in Federal housing and work on Federal property. The portion of the law which states that: "(3) The amount of the payment to any local educational agency which is determined with respect to such agencies under paragraph (1) shall be used for special programs and projects designed to meet the special educational needs of educationally deprived children from low-income families," makes the local educational system know that these funds are limited as to use.

We do not know the interpretation that will be made of this portion of the law.

I point out the above uncertainties to state that it is the unanimous opinion of the people with whom I have consulted that changes in Public Law 874 be postponed for 1 year with the exception of public housing and additional payments for handicapped children of military parents.

I believe that working cooperatively with the Department of Health, Education, and Welfare these two new portions, public housing and

payment for handicapped children, could be implemented for the 1975–76 school year.

I believe there are many publicly housed children who may not have been counted in the last estimate. The figures in our local system alone indicate that we have over 3,000 publicly housed children out of a student population of 36,000.

The method of funding as to tier I, II, and III is confusing. If the Montgomery public school system is funded only through tier I it would mean a loss of revenue of approximately $400,000.

If we are funded through tier II the loss would be approximately $20,000. This is according to our calculations using the 1974–75 amount of Public Law 874 funds as a base.

I believe that most local education systems would welcome the opportunity to work cooperatively with the Department of Health, Education, and Welfare to know the true dollar effect of the new law.

Mr. Chairman, I thank you and the members of this committee for your interest and understanding of the educational needs of this Nation.

I appreciate the opportunity of presenting these views to you.

Thank you.

Chairman PERKINS. Let me propound a question to both of you gentlemen. Inasmuch as the time is so short and the administration has taken some action since they were in here in February and no one knows how much any impacted school district will lose under the amendments above, I take it that both of you are suggesting that we postpone for 1 year the effective date of these amendment; am I correct?

Dr. FISH. Yes.

Mr. BOBO. Yes.

Chairman PERKINS. Am I correct in stating that no studies have been made to disclose the actual effects on the impacted school districts in the country?

Dr. FISH. At the Federal level we have submitted data which we as an organization circulated to them. As a total sutdy which covers all school districts it is not complete. It is not comprehensive.

Chairman PERKINS. Not complete.

Dr. FISH. It is an estimate. We have received to this point as we reported in our testimony approximately 1,400 school districts.

Chairman PERKINS. From the data that you have reviewed thus far does it turn out that all of these impacted districts are affected to the extent that they are cut back?

Dr. FISH. Apparently, to reach a generalization, the overwhelming number of school districts, if they were funded to the level of tier II, would be adversely affected.

This was a complex law. This data was put out by busy people, basing it on estimates and rough estimates. They know traditionally in their A and B count the public housing is a questionable one and they are not sure what they can use that money for. We are talking about both categorical and general aid and a mix.

So I would have to say to the best of my knowledge at this time that the tier II level of funding, the great majority of impact aid school districts would be adversely affected.

Chairman PERKINS. Mr. Ford?

Mr. FORD. Thank you, Mr. Chairman.

I am very happy that the chairman has taken the lead in introducing this legislation. I was happy to join him in cosponsoring it.

In the period we had earlier in this session when the Commissioner of Education and his staff appeared it became very apparent to those of us on the committee—although the Commissioner himself was very much concerned—that his people had not spent very much time trying to anticipate the coming of the time when what was formerly the simplest distribution formula that we had in any education bill was to become the most complex.

He convinced me when he presented me with a four-page plastic overlay that I studied all morning long. Even with a background in pre-engineering I had great difficulty trying to understand. All I understood was that if we should send this into motion now we would have school superintendents storming this place.

As a result of that hearing the Commissioner acknowledged that he was not ready and his Department was not ready to proceed.

While chairing the hearing I suggested to the Commissioner that perhaps he could assign his people to work with the impact aid organization. I understand that happened, that you are one of the people who participated.

Dr. FISH. Yes, sir.

Mr. FORD. Was that a joint effort that arose out of the understanding with the Commissioner and his people, following his instructions, and the people in the impact aid organization?

The figures you presented this morning showing the distributions were developed?

Dr. FISH. Yes, sir, they were.

Mr. FORD. So it actually had the Office of Education developing the criteria by which you made the measurement interpreting the formula and you were using the impact aid organization solely for the purpose of gathering for the Office of Education the information that they agreed would give them the basis to make this determination.

Dr. FISH. Yes; that is correct.

Mr. FORD. I think that is a fine example of cooperation between the local school superintendents and the Office of Education. It leaves a great deal to be desired in terms of administering a program nationwide.

I assume these figures would be tempered by the degree of anxiety and amount of time that local superintendents had available to do this job.

Dr. FISH. A very large number of reports that came back to us, in reviewing them against the data which the Office of Education supplied in terms of contribution rates that applied, data like that we had to correct. We had to reinterpret the figures. Where they were dealing with two categories we are now dealing with 12.

Mr. FORD. Dr. Fish, as a matter of fact, with the rather intricate additional factors, the changes that were made in the formula which constituted adding additional factors, many school districts would have to guess; wouldn't they?

Aren't we now asking you to determine for eligibility at the local level and ultimately then at the national level factors for the distribution of funds that were not formerly taken into account?

Dr. FISH. Yes; that is correct. Even in a district such as ours, on the handicapped, for example.

Mr. FORD. Am I correct that at this point no one, the Office of Education or a combination of any local units, has sufficient information in their computers so that we can ask the computer to give us a complete and accurate printout of what the impact of the formula would be at any particular level of funding?

Dr. FISH. Not with any degree of reliability. That is my concern.

Mr. FORD. There is a good deal of material that would have to be gathered and compiled at the local level and ultimately collected and collated at the national level. Isn't that correct?

Dr. FISH. Even with the existing impact aid districts there are such things as the determination of the guidelines that would tell you where students fit in various categories.

Mr. Bobo was concerned about the Fort Benning complex. That is a very good example of that.

Mr. FORD. Let us stop right there. Customarily, to comply with the existing act, do you do an annual actual school census by having the students bring back a sheet of paper and have the parents answer specific questions that gave you what you needed to know to determine criteria for the eligibility, whether the child was an A child or a B child, an A-out, a B-out and so on?

Never in the past were you concerned with State lines in terms of residence of the child. This law since its inception has always distributed money on the basis of where the child attends school. The residence of the child, if it were off the military base, has not been a relevant factor, has it?

Dr. FISH. No, sir, it has not.

Mr. FORD. If that child were living on a military base, he became relevant only because of his military base without regard to what State he was in because he then became an A child.

Dr. FISH. Right.

Mr. FORD. And whoever was the child of the parent living on a military base, it didn't matter what State the child's parents lived in, if he was attending school in Nebraska and his parents were living across the river in Iowa, the Nebraska school district where he was getting his education got the money.

Isn't that correct?

Dr. FISH. That is correct.

Mr. FORD. That is not the way the formula would work now.

Dr. FISH. No.

Mr. FORD. It should be observed that the Perkins bill which many of us are supporting does not delay all of the formula changes. It does not interfere with the payment of the money that school districts would receive as a result of an increase in consideration of the public housing for example.

It also makes provisions to go ahead with the plan to give the 1½ count to the handicapped child of military parents. It tries to delay only those parts of the formula that we have trouble with.

We would assume that during the period of delay the Office of Education will be able to figure out exactly what happened and then this committee would have an opportunity to decide on that basis whether

the formula should be changed or whether we should allow it to go ahead and become operative.

I might say for the record as one of the conferees when this whole package was worked out around 2 in the morning, I don't think anybody on that conference committee had anything except a notion about what any one part or the total of these changes would do.

The reason for delaying the impact of that provision in the law 1 year beyond the other provisions in the act—or technically 1 year because the act hasn't been in effect for a year—was that we didn't know with any degree of precision what would happen and we wanted to have time for the Office of Education to figure out what would happen when this went into effect and then be able to act responsibly with legislation if it appeared necessary, if in fact we were going to bankrupt some school districts. It was everyone's agreement in that conference that that was not their intent.

It was never the intention of anybody connected with this formula to have it go into effect until we had adequate assurance that we knew the consequences of each change in the formula and that we would agree to delay its going into effect until we could mitigate the defects or eliminate the defects.

Thank you, Mr. Chairman.

Chairman PERKINS. I want to agree with everything the distinguished gentleman has stated.

I have a few letters regarding the bill which I would like to insert in the record at this point, if there is no objection.

[Information referred to follows:]

COMMONWEALTH OF PENNSYLVANIA,
DEPARTMENT OF EDUCATION,
Harrisburg, Pa., April 7, 1975.

HON. CARL D. PERKINS,
Chairman, Committee of Education and Labor,
Rayburn House Office Building,
Washington, D.C.

DEAR CONGRESSMAN PERKINS: This letter is written regarding H.R. 5181. I have serious reservations regarding the advisability of placing a $63,000,000 limit on the amount of funds which can be administered under (b) Section 5(c) of the Act of September 30, 1950.

By our calculations Pennsylvania would be entitled to a minimum of $12,800,000 in impact aid for students who "reside on, or resided with a parent employed on, property which is part of a low rent housing project." For the $63,000,000 figure to provide full funding, Pennsylvania would have to enroll 20.3% of all public housing students in the entire United States. It does not do so. The $63,000,000 figure is unrealistically low. The impact of the imbalance that would result upon Pennsylvania and other states would be severe.

There is yet another issue which must be considered. When the public housing students have been dealt with separately in the past, funds have not been forthcoming. Though eligible for funding since 1970, in actuality no payments have been made because of a lack of appropriations stemming from the separate manner in which the public housing students were classified. By dealing with them separately from other class b students, the measure would be moving in a direction the 1974 Amendments sought to correct. The Senate report on the 1974 Amendments correctly summarized that "this provision [integrating public housing students with class b students] of the committee bill is intended to assure that school districts impacted by these children [public housing] are treated on an equal basis with those enrolling other federally connected children."

The appropriation history of impact aid to public housing students indicates the negative results that occur when the public housing students are dealt with separately from other class b students. With no assurances for funding past

1976, altering public housing students' equal status with other class b students would have the same net effect as eliminating them from impact aid altogether.

When introduced on March 19, you indicated that you were forced to introduce the legislation to avoid the budgetary confusion that local educational agencies would be faced with stemming from the HEW studies which you feel will not be forthcoming until May 1. Yet the data is now starting to appear and will be available soon. Besides, impact aid payments usually are calculated later in the fiscal year so the late nature of the HEW studies will not increase confusion. I heartily agree with your intent, but for reasons outlined above, I believe the effect of H.R. 5181 would be to add to the confusion, not help to eliminate it.

Sincerely,

JOHN C. PITTENGER.

MONTGOMERY COUNTY PUBLIC SCHOOLS,
Rockville, Md., April 1, 1975.

Hon. CARL D. PERKINS,
Chairman, House Education and Labor Committee, Rayburn Office Building, Washington, D.C.

DEAR REPRESENTATIVE PERKINS: Thank you for the time and interest you have demonstrated in the Impact Aid Program (P.L. 874) by introducing H.R. 5181. Because we believe an analysis of the fiscal impact from implementation of the Education Amendments of 1974, P. L. 93-380, is absolutely essential and of much public interest, your introduction of this bill is appreciated.

Over the years since I first met with you to discuss federal aid to education, I have been impressed with your leadership in aggressively supporting attempts to maintain a fair level of federal financial aid to local school districts. It is clearly apparent from the remarks you made in introducing this bill on March 19 that you and other members of the Congress have a much keener insight into the fiscal crisis faced by local school systems than either staff in U.S.O.E or the administration.

We will acquaint our congressional representatives with the importance of your bill. Again, our thanks to you for this positive indication of your willingness to work toward the support of the Impact Aid Program.

Sincerely yours,

HOMER O. ELSEROAD,
Superintendent of Schools.

CLEVELAND PUBLIC SCHOOLS,
Cleveland, Ohio, March 24, 1975.

Hon. CARL D. PERKINS,
House of Representatives, Rayburn House Office Building, Washington, D.C.

DEAR CONGRESSMAN PERKINS: The March 20th issue of "Education Daily" reports that you are proposing a separate $63 million appropriation to fund the public housing category of the impact law.

You are to be applauded for your untiring efforts to help poor urban youth. If legislation is enacted to carry out your proposal, it will certainly help offset the $3 million loss of Title I funds which Cleveland is losing due to the new Title I formula.

We are grateful to you for your continued leadership in education.

Best personal regards.

Very truly yours.

PAUL W. BRIGGS,
Superintendent.

Chairman PERKINS. The Chair now recognizes the gentleman from Pennsylvania, Mr. Goodling.

Mr. FORD. Mr. Goodling?

Mr. GOODLING. Congressman Ford, we are speaking about something I have learned about rather quickly since I have come to Congress. You mentioned the late hours and then not too many people knowing what was in the bill.

We just passed a $25 billion—I am not sure whether it was called "tax rebate" or "tax something"—bill and 15 minutes before we approved it 194 people voted to recommit it to committee. This indicates to me that either they did not understand it or they had reservations about it or something 15 minutes later it was different.

Mr. FORD. Mr. Goodling, I might just mention that what happened on this bill, this is part of H.R. 69, one night the conferees had started at 9 the previous day and conferred on the bill throughout the night until 4 the following morning. There were some little issues like busing and some others that stirred up something more than common passion.

So by the time we got to this level we were hardly even talking to each other, let alone hearing what other people were saying.

Mr. GOODLING. I am sure that we have problems with this particular program. Times have changed since it originally began. One of the biggest problems of course happens to be this particular area right around here with the highest income per capita located all around Washington, D.C.

They have very fine homes, a very good tax base on those homes, et cetera, et cetera.

They recover an awful lot of money from this program. There are many people throughout the country that feel this is totally wrong.

One of the other problems I have learned down here rather quickly is that we like to keep things as they are and then just add to the top.

I am finding that the older you get the more inclined you are to be opposed to change, I suppose, more suspect and more suspicious.

One of the problems of course has also been that the public housing entitlemnt has always been at the very bottom. The Appropriations Committee has never gone through and offered any money in that area.

So most people will stand to lose with the present bill. I have figures to indicate that there are 11 States for instance—including Congressman Ford's own State and Congressman Goodling's State and Congressman Zeferetti's State and so on—that are going to gain considerably when you think in terms of the public housing entitlement. They are also big States that have a lot of Congressmen too. I might mention.

I just call this to your attention to show you that there are several sides, of course, to the coin.

My question I think would be, do we really need to change the law? Or should we insist that the current law is carried out to the letter and clear up the fear of the unknown?

From both of your testimonies it appeared to me that the fear of the unknown was one of the biggest problems that you were having with the present bill.

Dr. FISH. Yes. I think I have to speak in terms of the stability of school districts. We talk about Montgomery County, Md. The gentleman behind me is from Montgomery County, Ala. There is Phenix City, Ga. I don't believe Portsmouth, N.H., is a rich community. I know Phenix City, Ga., is not.

But I know that Portsmouth loses from a $1,600,000 level under the old law to a $1,185,000 level. It is a loss of $500,000.

58-348—75——9

We have heard again and again of this immediate area. But this country only has one national capital. This change in the law is starting to smoke out these problems.

Frankly, impact aid has been in existence for 20 years. It has become an integral part of school system finance. Yes; there probably are needs for reform in the law. There are problems. We are not disputing that here.

But we simply don't want to destroy the whole school districts and in the case of these two that I mentioned probably not wealthy school districts because of the overwhelming influence and the din of the propaganda about Montgomery County.

Montgomery County has appeared in almost every piece of administration testimony along the way.

Also we see that in many school districts the impact aid is a relatively small amount of money. You have worked with school finances. You know that most of us aren't operating with a great deal of flexibility in our programs. Every time we take a budget cut we lay somebody off. It is in personnel. It is the only place we have left to go.

We actually have a situation in San Diego this year and incidentally under tier 2 we would lose $850,000.

I can't see reforming the impact aid law and then wiping out San Diego.

Mr. GOODLING. But how about the gain with your public housing?

Dr. FISH. We now have 612 children in public housing in San Diego. That is in comparison to 26,000 that are traditionally federally or militarily connected.

Mr. GOODLING. How about the State of California?

What is the total?

Dr. FISH. I am sorry, sir. I am not sure—there are some communities where it represents a gain. Frankly, in the West generally public housing is not that major a situation. There are particular cities that have some public housing. Public housing is concentrated in the East and in the South.

That is one more comment that I would make. This is not a tradeoff in regard to the impact aid for public housing. It is a tradeoff against elimination of part C of title I, the rural and urban factor.

The eastern big cities, particularly New York City, lost in the new formula. Philadelphia lost and so on. A move was made to put the public housing into the impact aid program. It was put into a category so it would serve the low-income children.

One of our concerns about the public housing money is how it can be spent. For example in San Diego if the guidelines were to come out and say, "you must serve that particular child in the public housing project," we would have an impossible situation because we would have them scattered in small projects.

Mr. GOODLING. But your guidelines don't say that at the present time.

Dr. FISH. There are no guidelines.

Mr. GOODLING. Your guidelines in the past.

Dr. FISH. Impact aid in the past has been a general aid program.

Mr. GOODLING. So I would assume that would not change.

Dr. FISH. No.

Mr. GOODLING. There may not be any guidelines,

Dr. FISH. If you say, "Well, you lose the traditional Public Law 874 funding and you gain public housing funding," the local school administrator is dropping back because he is getting designated categorical funds. It is the understanding of the Compensatory Education Office, the title I office, that if a State has a situation as I understand it in which they are going to say, "you must submit a project kind of plan," you see?

Mr. FORD. Will the gentleman yield to me?

There is a two-way change here in public housing. Public housing has been in, has been counted. But the Appropriations Committee has never given the appropriation.

So to make sure that there was an appropriation, public housing was put in a different way into the formula. But at the same time the money that they city receives by public housing doesn't go into the same pot as the money it receives from the rest of the formula.

As of today we do have the proposed guidelines. I am sure therefore you will agree they are extremely vague about trying to interpret what the conferees meant when they said it had to be used for educationally deprived children because we didn't go the next step and say it could be used like title I funds were used, for example.

So the Office of Education is not sure at this point what you would have to do to comply with that requirement, that you segregate those funds and use them only for low-income children.

Also we don't know what that does to the comparability provision of the city when they throw it into the pot because it does throw out of balance the comparability they have to establish to show that they are properly using title I in the target schools. Theoretically it throws the impact money on top of the title I money that is already being spent in a target school, if you assume that a school near a public housing development is properly a target school.

The question is, once you throw that on top, what have you done to the comparability that you have to show by the way in which you balance out the spending through all the target schools?

Mr. GOODLING. We as the Congress could say that the money could be used the same as the impact aid money has always been used. Could we not?

Mr. FORD. Yes, we could. But that would take a change. This bill won't do that. This bill, as a matter of fact, is not to delay the public housing provision from going into effect.

I might mention you pointed out that Michigan would gain under the impact aid.

Mr. GOODLING. Excuse me. Are you saying that under the present law or the Perkins amendment?

Mr. FORD. The Perkins bill does not delay for 1 year the public housing portion.

Mr. GOODLING. But it really does, doesn't it? Because doesn't it still go to the Appropriations Committee who will say that they are not going to parcel the money out for public housing students as they have done in the past? In fact I think they have already made that statement.

Mr. FORD. H.R. 69 is now law. Unless we do something to change specific portions of the law it will stay there. The only thing we do with regard to public housing is to take off the top of the impact money

$63 million for public housing. So they would be guaranteed their money. The other provisions about paying out public housing money would not be delayed.

Mr. GOODLING. What I am saying is, that wasn't the impression I was getting from the Appropriations Committee. I understand they are still going to eliminate the whole idea of aid.

Dr. FISH. If I could comment on that, sir, it is my impression as I understand it by hearsay and not by seeing anyone that what has come out in the subcommittee and full Committee on Appropriations was done as though the new law didn't exist at all.

It was as if they had pulled last year's wording off the shelf and simply applied some new numbers to it and put it in.

Frankly, I don't know how to say it. But the wording doesn't appear relevant to the law of this amendment to 93-380, the public housing amendment. We don't believe that what is proposed there can be done, frankly.

Mr. GOODLING. Just one further comment just to show you the different impressions and pressures we get. I have in front of me a letter that was sent to my chairman from John C. Pittinger, who happens to be the State of Pennsylvania's secretary of education. Of course, he is very upset with my chairman's proposal. He is trying to point out what that would do to the State of Pennsylvania.

So I just want to point out that it all depends on which side of the fence you are, which side of the coin you happen to be on. But he is very much opposed to the program and lists reasons which I suppose are factual. I haven't had an opportunity to research them.

Dr. FISH. You also may not be aware that the public housing money has no provisions for administration at the State level of this program and it puts the responsibilities on him. I am sure you will hear about that.

Mr. GOODLING. I have no further questions.

Mr. FORD. On that subject of public housing I would like to point out that it is possible under the rules of the House that if the Appropriations Committee were to legislate out an appropriations bill to change the language of H.R. 69, which is 93-380, then they would have to go to the Rules Committee and get a rule waiving points of order against that language.

If they couldn't get it from the Rules Committee, then I am sure they wouldn't get the Speaker's blessing to do it if it were subject to a point of order on the floor.

I am sure the point of order would be made that it would take a legislative change to prevent the $63 million in public housing from coming off the top of whatever is appropriated for impact aid.

I think it has been very carefully structured to get around the refusal of the Appropriations Committee in the past to give the cities the public housing money.

Mr. GOODLING. May I just quote one portion here? Perhaps you can comment on it. From Secretary Pittinger, "For the $63 million figure to provide full funding Pennsylvania would have to enroll 20.3 percent of all public housing students in the entire United States. It does not do so. The $63 million figure is unrealistically low. The imbalance that would result in Pennsylvania and other States would be severe."

Mr. FORD. I am afraid that that indicates a common misconception about what the impact formula has always done with regard to public housing. It doesn't just have to be public housing. It has to be public housing that is included in a school district where a percentage of people who qualify for impact aid exceeds the 3 percent of the total population figure.

As a matter of fact I can show Mr. Pittinger the figures. Pittsburgh is one of the cities that got clobbered. The only city that appeared to make out on this thing after we did it the last time was New York City.

Subsequently New York has discovered that they picked up $7½ million and it cost them $23½ million in title I funds to do it.

Detroit picked up $259,000 and it loses $13 million of title I funds because of what we did to the title I formula. That was a tradeoff that took place when we made a check of the large cities.

We found that because of the relatively low percentage of students, regardless of the size in real numbers that occur in cities, the public housing figure had always been very much overrated as a factor for payment.

States have been using public housing figures to add to their population for qualifying. But most of the cities that do qualify are right at the 3-percent level.

It was my amendment back in 1966, I think, that changed the big cities from 6 to 3 percent. Prior to that time there were no big cities unless you referred to San Diego. That would be the only city of any size in the country that qualified. They are all very close to the border.

The Library of Congress did pump into their computer public housing figures. One further thing we had was a real argument between the experts at the Library of Congress and the experts in the Office of Education on how many children of school age live in public housing.

The ancient figure was based on that period of time when public housing was primarily occupied by young childbearing families on public assistance.

As time has gone by more and more public housing has become occupied by elderly people and the percentage per capita—does anybody have the figure on what they are using? They used to use 2 point something children per unit. Now it is 1 point something per unit.

Mr. HUSK. 1.3 per unit.

Mr. FORD. But there is a discrepancy between the Office of Education and other agencies in the Government, or there was last fall, about what the actual count is. Nobody has ever counted these children. They have always used the assumption that you have a certain percentage of children. In this case he says 1.3 for each unit of public housing. This varies, of course. That may be true in some cities and not in others. But in attempting to make their estimates, this is the way they have done it.

Once you send out the actual school survey you will know. But that has never been done.

Mr. GOODLING. It is pretty true in most of our Federal programs. Under title I, for instance, they send me a list telling me how many youngsters I had in my district according to title I.

I don't know where they got the figures. I couldn't find them. But I think that is typical.

Dr. FISH. Mr. Goodling, I think Mr. Pittinger made our point because he said that the estimates were low. The Office of Education says it woud take $57 million to fund the low-rent housing in tier I where they participated.

What we are confronted with and the thing that we live in terror of is not getting over tier II in terms of appropriations because if we don't then we drop back to tier I.

The problem is that there are so many more public housing students out there than what the Office of Education is estimating. The amount of money may be consumed in tier I to the extent that tier II isn't funded.

If that happens funding probably goes back to about 25 percent, usually about a third of what it is in the second tier.

For example, San Diego goes from around $7 million down to $2½ or $3 million.

In Pennsylvania, I have a list of some 20—it looks like 30 or more—districts. For example, there is one listed as centennial. It is a district that has a budget, estimated total cost of education of $14 million, which gets $330,000 of impact aid under tier II.

If they don't get to tier II they will probably drop back in the neighborhood of $150,000.

What I am saying is if these statistics are wrong, this thing is set up like a great big gambling game and we either get over the top or we drop all the way back down again.

The Office of Education is estimating 57 million. They will provide 63 million which came from the previous Office of Education estimate.

I understand the Library of Congress estimate is 72 million.

Mr. GOODLING. Do you feel that the low-rent housing youngsters have really been neglected over the years?

Dr. FISH. I believe that the Federal Government has instituted a policy which adversely affects the tax base of the local community. The people who decide on school elections are not necessarily deciding the same things. You know how this works, I am sure.

Yes, I think this has affected the basic support for education.

Yes, I think the money, even with the categorical stipulations on it, could be very beneficial to the students, particularly the categorical stipulations which allow the school district to more effectively use the title I money without too many title I types of guidelines.

I believe you know what I mean there. We frankly would much rather see general aid. But that is not what Congress intended.

Mr. GOODLING. I have no further questions.

Mr. FORD. Mr. Zeferetti?

Mr. ZEFERETTI. No questions.

Mr. FORD. Mr. Lehman?

Mr. LEHMAN. No questions.

Mr. FORD. Thank you very much. Dr. Fish, I hope you will follow up on this survey that is being made. I see you have got two very valuable backup men there. I don't know why they are sitting so quietly and calmly. But we see a pair of old friends of this committee and the legislation we are talking about here from the chairman's

State of Kentucky, and more importantly, from Hardin, Gil Burkett, Gilbert C. Burkett, and sitting next to him, the gentleman from Brunswick, Ga., Glynn County, who has taught many members of this committee at least to understand the formula of title I, Ralph Erskine Hood. It is a pleasure to see both of you.

Chairman Perkins left me a little note that says, "If you fail to notice them and record their presence in the record, you will never get to be chairman again."

Thank you very much, gentlemen.

Dr. FISH. Thank you, sir.

Mr. FORD. Sam, do you have a statement here?

STATEMENT OF SAMUEL B. HUSK, EXECUTIVE VICE PRESIDENT, COUNCIL OF THE GREAT CITY SCHOOLS

Mr. HUSK. I have prepared a statement to be given to the committee. I would like to submit it for the record.

Mr. FORD. The next speaker is Samuel B. Husk, vice president of the Council of the Great City Schools.

Without objection the prepared statement submitted by Mr. Husk will be inserted in the record at this point.

You may proceed in any way you feel is most convenient to explain it or amplify it.

[Prepared statement of Samuel B. Husk follows:]

PREPARED STATEMENT OF SAMUEL B. HUSK, EXECUTIVE VICE-PRESIDENT, COUNCIL OF THE GREAT CITY SCHOOLS

Mr. Chairman, the Council of the Great City Schools appreciates the opportunity to testify on H.R. 5181. Our member city schools have a responsibility for educating 11% of the nation's children, 25% of its minority children, and 30% of the children from low-income families. We are grateful for the Chairman's continued and devoted interest in seeing that federal education legislation is implemented in a proper and orderly way.

Many of our cities' school board members, and professional staff members who represent the city schools in their respective State capitols, are incredulous at the failure of the Executive branch to provide the estimates, required by law, which would allow this Subcommittee to judge whether the Impact Aid reforms in Public Law 93-380 will indeed correct the inequities addressed by the Congress.

Our member cities agree that the Executive branch has a right to its own policy on Impact Aid. It has the right to repeat that position in appropriate forums, when making proposals where legislation is being considered, in oversight hearings, in testifying on appropriations, and in making the annual budget presentation. But these cities further agree that the Administration does not have the right and should never have the right to ignore its responsibility to implement the law, which in this case includes the development of adequate data and estimates. Congress acted on this legislation; President Ford signed the Education Bill before the largest number of witnesses in education history; and now thousands of schools are awaiting the estimates for fiscal year 1976 in order to build their school budgets and plan effectively.

Mr. Perkins, you are to be commended for these hearings and those you held a month ago on this area. The Congress has the responsibility to explain the new legislation and to communicate its intent and potential effect to those at home who will be affected. As Congressman John Brademas has pointed out in his essay entitled "Law-Makers in a Changing World," we need responsible interchange between both the Legislative and Executive branches and the localities to articulate the effect of the Education Amendments of 1974.

Our member city school districts agree on the need for this communication between the various levels of government. However, they do not entirely agree on

whether the reforms should be delayed for a year and a half for the purpose of having better knowledge of what the effects of the reforms will be.

Among our districts are a few with large numbers of military and federally related children. These particular districts are concerned with the effects of the unknown factors in the reforms, such as the public housing funding, and the host of differential rates for differing categories of funding levels in Public Law 874. In developing their fiscal 1976 budgets, they see gaps in the seams when they attempt to estimate the revenues anticipated from impact aid. A lack of accurate revenue information can be serious in a large school system; in some smaller school systems the lack of data and the pending reduction in funds can lead to disaster. The question for districts in this area is whether save-harmless provisions are adequate to protect them from severe hardship. To these districts, then, the proposed delay seems desirable.

Other urban school districts, however, are expressing strong opposition to the proposal. Some of the opposition arises from years of frustration in trying to get some help from the so-called "C" provision of P.L. 874 for public housing students. Back in 1968, in the minority views on the Education Amendments of 1967, the Education and Labor Committee Republicans emphasized the public housing provision as probably the most equitable part of P.L. 874. Yet the statement was made, and the years have borne proof of its truth, that the public housing program was legislatively positioned so that it would never be funded. Public housing previously either required separate funding or depended upon funding of the entire Impact Aid program to trigger it. The Amendments of 1974 changed that situation by calling for an initial 25% funding for all Impact "A" and "B" category children, and including public housing children within those two categories as appropriate. To balance the effect of funding public housing students, the conferees on H.R. 69 agreed to then fund all other programs up to 68% of their entitlement before allocating additional dollars beyond the initial 25% level for children in public housing. A further trade-off resulted in eliminating the poverty concentration program of ESEA Title I and instead directing public housing funds to the children and the schools in these generally low-income neighborhoods. To add one and one-half years to the seven years of waiting for Congress to develop an equitable Impact Aid public housing provision on top of these numerous delaying complications, and after a delay of one year already, seems to those who are ready to implement programs to be asking too much.

These school districts also hold that the Amendments of 1974 were intended to make the public housing pupils an integral part of the program. H.R. 5181 would once again separate out these pupils.

Lastly, these school systems would argue that there is a minimum 80% save-harmless for systems effected by the reforms. They cannot afford to forfeit the dollars preserved by this save-harmless provision.

In summary, while there may be some discontinuity among our member school systems regarding the proposals set forth by H.R. 5181, they remain committed to achieving equitable funding for Impact Aid programs, with the inclusion of appropriate support for public housing pupils.

Mr. HUSK. Mr. Ford, I will be very brief, as the testimony is also brief. I think in our statement we point out some of the concerns that some of our cities have with regard to the impact aid reform legislation.

Our organization represents many city school systems, 27 in total. Therefore it also reflects a variance in types of districts. We have districts which represent those such as San Diego, with a large number of A and B children who are federally connected.

We have other school districts such as Philadelphia and Pittsburgh where we have very little federally related students, with regard to military compaction.

Therefore it is very difficult for us to reach an overall position on this piece of legislation and the change delay that Mr. Perkins is recommending.

I would like to just point out some of the arguments on the other side that may not have been stressed as much as they might have.

We have heard from Dr. Fish and from Mr. Bobo from Montgomery. We have heard about the possible impacts of this new law on particular school districts. But I think also we ought to look at the other side of the coin, which is the school districts which have been waiting since 1968 for the Federal Government to redress an inequity in their concerns about the legislative process that goes on in trying to reach some appeasement of that inequity.

For example I think it was mentioned this morning in the discussion of the Perkins bill that we are not only asking for a delay because of a lack of information but we may be asking for a delay for a wholesale change in the legislation so that many of the amendments would be reconsidered.

I guess many of our school districts would wonder after they have been through the meat grinder once after you have seen the meat that has come out through the grinder whether you come out looking whole or whether you just come out in finer pieces. I think that is one of our concerns.

There is also one other point here and that is related to the legislative appropriations process and the lack of clarity on our part in understanding whether the Perkins amendment indeed by delaying the impact or implementation of the 1974 amendments doesn't really amend the existing legislation which is in place for this one year rather than the reform legislation which would go into effect on July 1. If any members of the committee could clarify that for us it would be greatly appreciated.

If the Perkins amendment is simply modifying the existing legislation which has been intact previous to this time we wonder whether the provision for funding public housing pupils off the top will have as strong a legislative pace for points of order and things of that nature as would the reform legislation.

We agree with Mr. Perkins, as he represented, that the behavior of the Office of Education and the gathering of data information has not been the best, I guess derelict. We deplore the fact that we do not have the information needed to get a national assessment of this type of program.

So I think that overall our position would be that if we have the assurances and they were firmly cast that the public housing pupils were indeed to become an integral part of this legislation and not be separated out as they have been in the past in such a manner that it is very difficult for them, then we might be more inclined to support this type of amendment.

However we also feel that many of the changes are very, very integral to the interest of our cities over the years and we would not want those kind of factors to be lost.

I will just stop there.

Mr. FORD. I think you can understand you are wearing a hairshirt as you speak of the big cities. I spent a few years studying the problems of the largest school district. I think I have a fair understanding of how they are impacted by a number of things.

We are also aware of the fact that they don't all get hit the same way. I am not going to ask you to go into percentages. But I am willing to guess—you can comment on this if you wish—that the majority

of members of the Great Cities organization are not impacted in the way that you describe when you said that you were about to present the other side.

Outside of New York City, who else would benefit by not going ahead with the Perkins bill?

Mr. HUSK. Outside of New York City——

Mr. FORD. I am not conceding that New York City would benefit by not passing the Perkins bill. Someone there believes that they would benefit. I think it is still open to discussion. But so far as I know it is the only city that has given an indication.

Are there other cities that believe that they are disadvantaged by the $63 million figure?

Mr. HUSK. I think the same kind of uncertainty exists in the cities as to what kind of impact there will actually be from the $63 million.

I think the concern, Congressman Ford, is not with the figure as much as it is with the idea of keeping public housing an integral part of the program and not putting it in a position where other legislative bodies—mainly the Appropriations Committee—can once again put a limitation or elimination on that particular aspect of the program.

Mr. FORD. How does the Perkins bill affect that?

Mr. HUSK. I don't know whether the language that you have in the Perkins bill really amends the 93–380 or really whether it is amending the existing impact aid legislation.

If it is amending the existing impact aid legislation it may very well be that the Appropriations Committee could find language for considering it in the same manner as it has always been considered and that is that it has to be a separate appropriation or you need to reach a full entitlement for the other parts of the program before——

Mr. FORD. Let us walk that through. If the Perkins bill isn't passed the law stays the way it is. If the attitude that the Appropriations Committee has demonstrated in the past for category C or public housing children persists, your situation isn't any different because they can put legislation on this bill to say—first of all we are obviously going to have a terrible time getting funding even to last year's level of the whole impact program—suppose they decide to fund it at last year's level. If they do fund at last year's level there is a question of whether any of these changes go into effect if they drop anywhere below last year's level.

One way on the floor that you could guarantee the effect of the Perkins bill would be to amend downward the appropriation so that it doesn't equal the levels of the hold-harmless clause because there is a trigger of this entire formula that depends on the appropriation meeting last year's level.

Since there wasn't any money in public housing it does not affect the trigger but you amend down on the other end of the Appropriations Committee or on the floor, without a point of order being made, the amount of money far enough to save the category B schools. That is one technique that I don't think people would like to have to resort to. But it is available.

Mr. HUSK. It may very well be the technique they are going to use.

Mr. FORD. If that happens there will be no public housing money, will there? Or very little.

Mr. HUSK. That is correct.

Mr. FORD. Don't you think a guarantee of $63 million is a little better, a bird in the hand, than the possibility of one and a half in the bush?

Mr. HUSK. I think what we are looking for is the clauses that come beneath the guarantee, the kind of analysis that staff can provide to you or to us to clarify the point that the Perkins amendment would not jeopardize the status of——

Mr. FORD. Sam, I am not trying to pick on you. But you are not being consistent because you are saying that you are fearful that if the Perkins amendment—which would not only preserve the action of the formula with respect to public housing but also act as a legislative guarantee that they be the first to get the money, the first $63 million, regardless of the size of the ultimate impact appropriation—you are fearful that because of the past indications of support in the House for public housing funds in impact you might lose that.

But you don't seem to be fearful that you lose it without the Perkins bill. And the parliamentary situation is exactly the same in either case. The Appropriations Committee would have to legislate on an appropriations bill, and if they do they would then have to get a rules approval waiving points of order because if they don't get that approval any one Member would make the point of order and surely there are plenty who would make it.

That is why I find your position kind of inconsistent because it looks to me like if you are in the kind of trouble you justifiably think you are in in the big cities on funding of public housing, it doesn't seem to me that your position is improved by maintaining the status quo.

Mr. HUSK. That may be true. But I still don't hear from the committee——

Mr. FORD. Wouldn't you generate a substantial amount of support for your $63 million earmarking out of people who have to support you in order to guarantee their own money?

In other words the only way that they can save the category B money that the school districts are about to lose for at least 1 year would be to support a piece of legislation that gives you the $63 million off the top. You wouldn't be fighting the battle alone.

Mr. HUSK. It is not that we are talking to that question as much as whether this amendment really will be casting the public housing in the same kind of light as we thought was accomplished by the amendments of 1974, which were to include the public housing as an integral part.

The way of finding out the public housing students may be different. But once they are determined they are the same as any child who is eligible as a so-called B child in the formula.

What happens to you when you come to this particular amendment is that—the Perkins amendment—you single out the public housing again as something on the top. You make it a focus of the Appropriations Committee consideration. You raise the whole spectre of "here we are getting into a whole new program which is going to raise substantial amounts of money and we can't do that in this deficit kind of picture we have." You have all of the arguments starting to mushroom which have mushroomed up in the past and have led to nonfunding of a project.

What I am asking is, do we have the kind of backup in explanation of the Perkins amendment which gives us a legislative assurance that this type of separating out could not occur which strengthens the point of

order situation with regard to Perkins if it were to become the legislation for the next year?

Mr. FORD. It never has been the legislative intent to give public housing funding a special status that the Perkins bill would give it.

It seems to me that while someone might disagree with whether $63 million is adequate, because we don't know, $63 million is the figure that is arrived at by attempting to approximate what would happen if you funded the program through tier II, how much money would be distributed under the existing formula for public housing. Some people say 63. Some say more. Some say less.

Wouldn't we be better served if we tried to determine more accurately what that figure was and amend this bill to make sure that that figure correctly reflected that than to oppose the bill and take a chance on what is facing us in trying to fund this program?

Mr. HUSK. I am not saying that even those cities which are very much interested in the public housing aspects of the bill are opposed to the Perkins amendment. In fact we had a meeting yesterday on this. I d dn't find that they were opposed to the amendment. But they were concerned about the amendment. They were concerned especially about the separating out of elements of it.

So if that part of the bill could be clarified and if there could be some strong arguments and explanations made that this indeed would not put the public housing in the position of being separated out once again and subject to appropriations reduction, this would go a long way I think in helping school districts to join San Diego and Long Beach where there is very little public housing, help those cities to appreciate somewhat differently the position of the other districts.

As we understand it in the reform legislation the 25 percent first tier funding for public housing, even there the position of the appropriations people is that it is a mandatory appropriation which only they can effect.

Mr. FORD. Are you aware that the subcommittee of the Appropriations Committee has already voted out the appropriations bill which has legislation on it subject to a point of order unless the Rules Committee waives it, knocking out all the money for public housing?

Mr. HUSK. I am aware of that, yes.

Mr. FORD. You have been at this a good many years. When is the last time you saw the full Appropriations Committee reverse the subcommittee on an increase in funding?

Mr. HUSK. I haven't seen them ever reverse the subcommittee.

Mr. FORD. Don't you think you are already in a pretty tough spot?

Mr. HUSK. Yes, sure, we are in a tough spot. But we have been in tough spots before, too.

Mr. FORD. How many votes do you think you are going to get from people who are supporting the President's budget?

Mr. HUSK. From the people supporting the President's budget?

Mr. FORD. If you read the budget message they are going to send a piece of legislation up here with a 5-percent figure that is going to wipe out every one of your members except one.

Mr. HUSK. It may even wipe them out.

Mr. FORD. I thought San Diego got money no matter what you did.

Dr. FISH. We get a very small amount of that.

Mr. FORD. Isn't it correct that the 5-percent figure knocks out every other member in the Great Cities organization?

Mr. HUSK. I think San Diego would only be there barely, a couple of hundred thousand dollars. That amendment suggested by the President is completely—I think they have a right to state their position but I think it is clear that they ought to be implementing the law that is passed by the Congress.

How many members of Congress would support the public housing provision? I think as you indicated there is a need for having people from both the large cities and those representing the impacted areas school districts such as described here for them to be coalesced in an effort to really perfect both programs and both aspects of the program.

I am not denying that they have a very strong case, where for some school districts 25 percent or so of the operating budget would be eliminated because of reforms in the legislation.

Mr. FORD. If the Appropriations Committee adopts the recommendation of their subcommittee and the Rules Committee grants a rule waiving points of order, where do you get the constituency in the House to amend that out of the appropriations bill if you go it alone?

Mr. HUSK. I think the constituency is already building for an increased amount of appropriations for the impact aid provision.

We have evidence out in the hustings, so to speak, that there is evidence of a coalition of the impact aid people and the large city school districts and many, many other organizations who stand behind a substantial increase in legislation regardless of which formula it comes up in.

I would point out that we have a problem with our congressional delegation because as you know after you spent an evening, 2 in the morning, there was some effort to place the bill back into conference for reconsideration of these items.

Regardless of the position our cities may eventually reach and the other school people, they may have quite a bit of problem convincing their delegation of the wisdom of separating out or delaying amendments here since at one point the congressional representatives voted 80 to 20 against an amendment to recommit it to conference based solely on the appeal to this particular provision and this particular change.

Mr. FORD. I have to correct you. I participated very actively in that effort. It was not to change anything with respect to public housing. It was because every major city in the country was clobbered with the title I formula. We now know what that is costing the big-city school systems. That was the primary concern.

There were some big-city Congressmen who were confused and they traded a rabbit for a horse, thinking that they should support the conference report and get the public housing money, which is still very tenuous, and they throw out millions of dollars in title I funds as the price for it.

I think if the new Congress ever gets title I opened up again we might write a new formula. But that is behind us. We aren't attempting to do that.

The attempt to send the bill back to conference revolved around the title I formula, not the impact formula. Not that part of the impact formula, I might say.

Mr. HUSK. There were concerns about other aspects of the formula, I am sure, that certain Congressmen wanted to have reconsidered in the conference. But I am saying that the vote, as you indicated, regardless of the perceptions of those particular Congressmen, still indicated I think that unless those Congressmen have a very clear picture that the public housing is an integral part of the impact aid program and not in a position where it is going to be separated out by the legislation itself, that there may be a reluctance to support the impact aid provisions in the Perkins bill, let us say, to the extent that might be desirable.

Mr. FORD. Did you ever count the big-city votes for impact aid?

Mr. HUSK. Yes. I think by and large our cities have up until a year ago voted very much in favor of impact aid in spite of the fact that many of the cities did not receive substantial amounts of money for that.

I can think of cities like New York City and Cleveland, Philadelphia, and others of the eastern cities which have voted time and time again with the impact——

Mr. FORD. Only since O'Hara devised the method of packaging impact aid with title I. That caused impact aid people who had formerly voted against title I to vote for title I to get their impact funds. And it worked the other way, too.

Mr. HUSK. There are still some who in spite of packaging still would feel strongly opposed to the impact and vote against it. I am not saying that there aren't some of them. But basically it has been around 80 percent in favor of a provision which included impact and about 20 percent against.

I did see some single votes recently. I will give you one of the clearest indications of the support of impact. I believe it was a floor amendment. Clarify me if I am wrong. I believe it was a floor amendment by Mrs. Mink last year to take the impact which was going up as a 1-year extension of the law to make it the same length as the rest of the provisions of impact and our cities voted 80–20 for that amendment where they could have done their singular act and voted against it.

Remember that that provision that they were voting on was not what we are talking about now. It was the existing law.

Mr. FORD. If Mrs. Mink's amendment hadn't passed we wouldn't be here today because the program wouldn't be quietly ending.

Dr. FISH. Not "quietly."

Mr. FORD. Mr. Goodling?

Mr. GOODLING. Mr. Husk, I will repeat what I think you are saying. You correct me if I am wrong. You were saying that since you have been waiting since 1968 for something that you now see the possibility of getting 25 percent now of your entitlement for the first time off the first tier, and you are weighing that against a proposal that you are not exactly sure what it is going to do. But it will be hanging out on a limb where it will be easier to prune. Is that correct?

You see the 25 percent for the first time since 1968 as a good possibility and you just don't understand about $63 million.

Mr. HUSK. I think our concern is with the first point you made rather than with that level: $63 million, we feel that probably is a fairly fair figure, given the estimates that people are receiving.

Mr. GOODLING. In other words you would rather have 25 percent than nothing. And you are afraid that the amendment may give you nothing.

Mr. HUSK. We are afraid that might be an outcome if the amendment is not carefully explained and carefully constructed so that it would state that that would not be what would happen.

Mr. GOODLING. Then I would ask my Chairman a question. If, as I mentioned, this concern seems to be that since 1968 they got nothing and now they see a possible chance of getting 25 percent, what is the argument? That they may not get that 25 percent?

Mr. FORD. They are fearful that the Appropriation Committee would attempt to legislate to knock out the $63 millioin.

Mr. GOODLING. How about the 25 percent that they are guaranteed now under the existing law?

Mr. FORD. The $63 million is in lieu of that.

Mr. GOODLING. My question is, is there very much chance—as I understand Mr. Husk's problem he sees this 25 percent as something that finally since 1968 they might get their hands on and he is not very sure about that $63 million—that they would not get the 25 percent in the existing law? How would that come about?

Mr. FORD. The Labor-HEW Subcommittee of Appropriations has already voted out an appropriations bill with the recommendation to the full committee that the money for impact for public housing be amended.

If the Appropriations Committee accepts that and the Rules Committee gives them a rule waiving points of order then the only way that you could get back the 25 percent would be to amend the appropriation bill on the floor to knock out that provision.

It is a matter of judgment as to whether or not at that point you could get a sufficient constituency to support that. It leaves the big cities at that point all by themselves.

The other way around everybody who wants the funding at least at last year's level it would be an increased amount. Then in the hustings they can't get the money unless they get the $63 millior; $63 million is not matching. It is simply the best estimate we have at this point of what it would take to equal what you would get with the 25 percent.

Mr. GOODLING. If the Appropriations Committee turned down the 25 percent is there any assurance then that if we start picking pieces out of the bill, that the next 25 percent and the next 25 percent would be knocked off also?

Mr. FORD. That is possible. But it has not happened. The track record is very clear. And the makeup of the committee hasn't changed that much. The Appropriations Committee has never believed in funding public housing funds. That is why we tried to change the law to put them in the position where they had to fund it because they theoretically cannot legislate on an appropriations bill. But it happens around here rather frequently that they do legislate on appropriations bills because of the Rules Committee giving them special rules.

I have reason to believe that the present makeup of the Rules Committee coupled with the strong feelings of the Speaker with regard to this program might militate against such a rule coming out.

Mr. GOODLING. I was just thinking that perhaps with the anti-military feeling I hear all around the Congress perhaps this might be the next area.

Mr. FORD. No, quite the contrary.

Mr. GOODLING. In the past it has been otherwise.

Mr. FORD. There is some impact on military in the case that was described here in Montgomery County, Ala. There is clear discrimination against the entire military families. But for the most part if you take a look at the dislocation of funds in the formula it is category B children who are not except for a very few military dependents.

Mr. GOODLING. I have no other questions.

Mr. FORD. Mr. Zeferetti?

Mr. ZEFERETTI. Thank you, Mr. Chairman.

Mr. Husk, just one question. You pretty much targeted in on the public housing aspects of the bill. I am concerned, coming from New York City myself, do you find in this amendment whether there is any foreseeable additional dangers or losses that you see as part of this amendment being passed coming to New York City or other big cities?

Mr. HUSK. Of course you are working with some deficits to start with. When you try to compare Federal revenues coming into cities like New York last year versus this year, if that is what your question is. For example last year in New York you have a situation where with the title I formula you are going to be in a continuing cycle of downward spiral until I think you will probably reach a level of about 63 percent of your 1974 entitlement, which I guess in overall reductions it will be very substantial a decrease, probably $50 million of revenues coming into New York City public schools.

Therefore it is very important for New York City to see the law moved forward so that, looking beyond the first tier, which is the 25 percent, which gives us a fairly accurate picture how the moneys are being distributed, and through the second tier, which is a save-the-harmless type of tier, which takes care of school districts which are normally a part of the program and then again for the third tier, where from that point on cities like New York and Philadelphia and Chicago, very, very large cities, will continue to get substantially large parts of the tier 3 money.

So looking at it from their point of view they are just revenues received from the Federal Government. In the future I think it is important for them to be looking at the tier 3 aspect of the program.

By this amendment of course you are not getting into that tier type of structure. You are putting a ceiling in the authorization bill on the amount of money that can be spent for that particular program.

And we really don't know if the Perkins amendment would pass what would happen next year. Would you extend the Perkins amendment for another year? Or what would happen while the Congress and while this committee deliberated and tried to make changes in the legislation? So you might be stuck with a ceiling on those public housing children which would be hard to pick up.

Mr. ZEFERETTI. Do you feel the amendment itself is separating the urban area from the rural area?

Mr. HUSK. We feel that the public housing in urban areas by this type of amendment singling out that particular part of the program could jeopardize what we felt was one of the accomplishments of the bill, which was a way of building public housing as an integral part of the impact aid program with the tradeoffs that the cities were willing to make, for example no funding in tier 2.

Each tradeoff that they were willing to take, elimination of title I, part C, was another tradeoff that was made plus a new formula Mr. Ford put in under title I where 27 cities had $22 million lost in revenue as opposed to 1974 even though the total increase in appropriations under title I was part of a 9-percent increase, which will show you the loss.

So I think the concern you raise is a concern that New York and Chicago and Philadelphia have, particularly those three larger cities.

Mr. ZEFERETTI. Also getting back to something the chairman said before, if in fact there is no bill where are we? Where do we go? Or would you rather see a different type of legislation or maybe a tightening up of a piece of legislation of different types of aspects of the bill?

Mr. HUSK. I think that the point that was made by the chairman, by Mr. Ford, about the data is a legitimate point. I don't think that when the legislation was passed, when the reforms were passed, that it was the intent of the committee to eliminate some cities, some school systems, from the impact aid law who were not known at that time, what I mean is school districts where you really do have military bases and where the total operation of the school is dependent upon that source of revenue.

I think they were really focusing on trying to eliminate Montgomery County and Fairfax County and the wealthy counties where there are employees of the District of Columbia and places like it. There may be need for some reforms in the legislation.

I think basically we would say that we ought to let the legislation go forward, see what the effects are. If we see adverse effects then Congress can take two kinds of corrective action to either, immediately go into a supplemental appropriation posture and take care of those places that have been adversely affected as they have historically done in the past under title I.

In 1972 I believe there were 36 million dollars in revenues lost to States including the chairman's State. When that was detected by the Congress the Congress took action and corrected it.

There is also a possibility that they would go back and make certain amendments to correct the 93–380 legislation and perfect that too and make it so that it would be equitable for all.

I guess our concern is that once you delay it it is already delayed 1 year. If you delay it again what that portends for the future, whether that might mean a disintegration of everything that has been accomplished in the amendments of 1974.

Mr. ZEFERETTI. Thank you.

Mr. FORD. Thank you very much, Mr. Husk.

Mr. Frederick Weintraub, Council for Exceptional Children?

Without objection the prepared statement of Mr. Weintraub is submitted and will be printed in full at this point in the record.

58-348—75——10

You may proceed.

[Statement of Frederick J. Weintraub follows:]

STATEMENT OF FREDERICK J. WEINTRAUB, ASSISTANT EXECUTIVE DIRECTOR FOR GOVERNMENTAL RELATIONS, ON BEHALF OF THE COUNCIL FOR EXCEPTIONAL CHILDREN

Mr. Chairman, Members of the Committee, Thank you for affording The Council for Exceptional Children this opportunity to appear before the Committee today to express our strong endorsement of your proposal to seek a July 1 release of monies under the new weighted formula for handicapped children in the Impact Aid program. We refer specifically to Subsections (A), (B), (C), and (D) of (6) of H.R. 5181.

As you know, Mr. Chairman, The Council for Exceptional Children is a national organization with a membership of approximately 65,000 professionals in the field of special education, that is, the special education of both handicapped children and gifted and talented children. I am Frederick J. Weintraub, CEC Assistant Executive Director for Governmental Relations.

As you well know, Mr. Chairman, under the aegis of P.L. 93-380, the House Education and Labor Committee sought to deal on an immediate basis with an urgent situation relative to handicapped children which was a direct response to two realties: the impact on certain school districts of the procedure of military compassionate transfer and the fairly recent cutoff of most educational services for some handicapped dependents of active and retired military under the CHAMPUS program (Civilian Health and Medical Program of the Uniformed Services).

Active military personnel with handicapped dependents are enabled, through the vehicle of a "compassionate transfer" to assume and retain indefinitely duties at locations where the school systems will provide programs to meet the special needs of their children. For a given school district, the situation which develops is apparent: the school system is already bearing the considerable expense of providing relatively decent special programs for its handicapped children. Moreover, because that school district is doing this relatively good job, it receives a higher than normal number of handicapped enrollees because of de facto federal policy which promotes the enrollment of handicapped children who are military dependents in such districts.

The CHAMPUS situation may be briefly summarized as follows: subsequent to a Department of Defense review of CHAMPUS assistance, children primarily with specific learning disabilities and those that are considered emotionally disturbed were denied further eligibility for special education and related services under CHAMPUS because such services were deemed to be beyond the scope of CHAMPUS authority.

Again, federal policy, i.e. a reversal of same, has a substantial impact on given school districts. Without access to CHAMPUS funding, the population of children in question is being presented to the public schools for enrollment, with all of the attendant consequences of such a sudden infusion for both the school systems and the educational well-being of the handicapped children themselves.

The Congress responded, and laudably so, to an emergency situation with what may be described as an "emergency alteration" in the impact aid formula. The Congress ordered that, for the purposes of computing the amount to which a local educational system is entitled under the Impact Aid program, the Commissioner shall count as 1½ children any handicapped child who is a military dependent when the recipient local educational agency is in fact providing a program designed to meet the special educational and related needs of such children.

It is quite apparent, Mr. Chairman, that the basic objective of this weighted formula includes a vital element of timeliness; and, correspondingly, every month of delay in the actual allocation of the additional monies generated by the weighted factor further dissipates fulfillment of Congressional intent. We therefore congratulate you, Mr. Chairman, for your own timely efforts to guarantee the earlier possible allocation of monies, and we urge your colleagues on the full Committee and your colleagues in the full House to support your legislative objective in this specific regard. Thank you, Mr. Chairman.

STATEMENT OF FREDERICK J. WEINTRAUB, ASSISTANT EXECUTIVE DIRECTOR FOR GOVERNMENTAL RELATIONS OF THE COUNCIL FOR EXCEPTIONAL CHILDREN, RESTON, VA.

Mr. WEINTRAUB. Thank you. The Council for Exceptional Children appreciate this opportunity to appear before the committee to speak solely to the question of the carrying out of the operations of Public Law 93-380 pertaining to counting handicapped children in impact aid.

We will focus our comments on that provision and not with the greater substances of the legislation before you today.

Mr. Chairman, the history or background as to why the Congress went to the point of counting as one and a half each handicapped child is based upon two very succinct realities. One is the fact that under the compassionate transfer program military school districts who are attempting to serve their own handicapped children in their community all of a sudden find themselves with vast numbers of new handicapped children if they have a military base located near them. If you are doing a good job the word gets out. The military knows it.

Under the compassionate transfer program military personnel are transferred to that community where services for handicapped children are available.

Mr. FORD. As a matter of fact, if I may interrupt you, it works the other way too. If a handicapped child is involved in a program—suppose that a military person who is here in Montgomery County near Washington is working at the Pentagon and the military say, "We would like to have you someplace else," that person can now go in and say, "What if that someplace else doesn't provide the kind of school service that my child needs?"

So the school system would also retain this child.

Mr. WEINTRAUB. Definitely that can be the case. The committee considered that in the development of this amendment. There was one that I knew in Champlain, Ill., where one September morning school opened and found themselves with 20 new deaf children. I don't know what is the cost of educating a deaf child. But to all of a sudden have 20 new deaf children in a relatively small community at your door step, that is a monumental cost to a school district.

The second factor is the changing practices taking place in the CHAMPUS program, which is the Civilian Health and Medical Program of the Uniformed Services. For years rather substantially handicapped children were having their education purchased at private schools with the cost being assumed by CHAMPUS.

However recent changes in the CHAMPUS programs have begun to cut back on those funds and in fact handicapped children who were other than profoundly medically involved children have been totally cut off from any support. This is in fact resulting now in increased numbers of handicapped children coming to the local school systems, which has increased over the last several years.

The point I make is that the changes in CHAMPUS have brought an additional burden in the last year or two. Basically therfore our position is that the Congress is 93-380 attempted to respond to an

emergency situation with an emergency alteration of the impact aid formula.

We don't feel that the intent of the Congress would be well served by delaying any longer the actual implementation of this amendment. We are pleased to see that the bill before this committee today would not delay that implementation and thus support that provision.

Thank you very much, Mr. Chairman.

Mr. FORD. You do understand that the Perkins bill is drafted so that it does not delay——

Mr. WEINTRAUB. Yes, sir, we support that provision in the Perkins bill.

Mr. FORD. Mr. Goodling?

Mr. GOODLING. I have no questions.

Mr. FORD. Mr. Meeds? Since Mr. Meeds is here I would like to raise a question with anybody in the room who would like to respond. When we asked the Commissioner of Education what they were doing about figuring out how the Meeds-Ford-Quie amendment—I am being kind to you by accepting any responsibility for that——

Mr. MEEDS. I understand.

Mr. FORD. With regard to States taking impact aid into account for the purpose of distribution of State funds and equalization was going to develop, Dr. Fish, maybe you could tell us in your contract with the Office of Education, have you been able yet to come up with an estimate of which States are going to be affected?

Dr. FISH. At the regional meeting held in San Jose, Calif., the final copies were not available of those equalization guidelines. They have been promised for later on this month. I have been informed by the office of SAFA that a narrow determination of guidelines had been developed that used one of the three alternatives presented previously and which in their eyes limited it to three States. I believe they were Hawaii, which is a freebie because that is a single district, New Mexico, and Florida. I am operating from memory there. I will correct my remarks later if I am wrong. But it was those States at that time.

Mr. FORD. That is ironic since a Senator from Kansas was responsible for getting the thing started and Kansas didn't get in.

Mr. Meeds?

Mr. MEEDS. Mr. Chairman, if the chairman will yield, is it your understanding that that was under the formula which took I think 10 percent off the top and 10 percent from the bottom and then said it couldn't deviate more than 20 percent?

Dr. FISH. They removed the top 5 percent of the districts and the bottom 5 percent and said they could not deviate in over 20 percent.

Mr. MEEDS. I will just say for the record that I certainly think that is a reasonable approach. There may be some for whom that will cause problems. But I think if we stick to that kind of strict interpretation we are going to get the kind of results that Mr. Ford and I were trying to accomplish and that was to allow the counting of impact aid money only when a State was making a bona fide effort to truly equalize.

And after taking off the top 5 percent and the bottom 5 percent and saying you can't deviate more than 20 percent, if that isn't liberal enough then I don't think I want my amendment interpreted——

Dr. FISH. I can understand the top 5 percent because you have dis-

tricts that are way out in the boondocks and the kids are scattered and there are special needs like the 20 children showing up and things like that that would be taken otherwise in the formula.

But the bottom 5 percent, you are talking about a tax shelter. A non-operating district means that there is land there.

Mr. MEEDS. I asked this specific question of other witnesses and they said—and I can't evaluate their answer because I am not a statistician—that it in effect screwed up the statistics and gave you results which were skewed from what the normal would be. I am sure that is true. But the question is, shouldn't we have that?

Dr. FISH. I can see somebody having very high costs. But I can't see a program that allows those having very low costs. That is one concern that I see at this time.

Mr. MEEDS. I would just like to take this time, Mr. Chairman, to say that I appreciate this being strictly construed because that is the way it was meant.

Mr. FORD. Thank you, now I would like to call on Mr. Paul Henry, associate superintendent of Montgomery County Schools, Montgomery County, Md., and Anthony Petriccione, Prince Georges County Board of Education from Upper Marlboro.

STATEMENT OF DR. PAUL HENRY, ASSOCIATE SUPERINTENDENT OF MONTGOMERY COUNTY SCHOOLS, MONTGOMERY COUNTY, MD.

Dr. HENRY. Thank you Mr. Chairman. I am Paul Henry, associate superintendent, Montgomery County in Rockville, Md.

The remarks we heard this morning about Montgomery County prompt me to say something about some current activity that is going on in our county. If you have read the morning paper and saw the headline you saw that we don't have much fiscal help from our State capital in Annapolis.

I just want to first of all express appreciation to this particular committee and the help that you have been to us and other impact districts over these past 25 years.

It seems sometimes in a big school system they might take for granted this kind of program. I know this. We put it in a letter to Chairman Perkins. Because of his influence and leadership and on the part of the Congress this program is alive today. So we appreciate that very much.

I would just like to say that in our county everybody talks about the $70,000 homes and how nice it is to have a lot of money. But I would want you also to know that in our county there is $301 million worth of real estate that is owned by the Federal Government and that if this property happened to be taxed at our current rate of $2.53 per hundred it would generate to us $7.6 million worth of revenue for the county. As it is we are getting about $6.6 million from impact aid.

Our concern is in the speed with which Public Law 93-380 would be brought to pass without the opportunity for us to really look at it across the country and see what the real impact would be. I don't believe that it is the intention of the Congress to, as Chairman Perkins

said here back on February 27, "pull the rug out from under the school districts," especially when we are all in a great state of fiscal crisis.

Committee members are aware of the problems we face in education. We are trying to improve education in our country. We support without qualification the Perkins amendment. Our purpose in that is to try to get a little more time to do it.

I also might say that we are not sitting back idly waiting for the time to ask for another extension. Two days ago our superintendent of schools wrote a letter to the county executive in Montgomery County, asking that a study be mounted to try to explore and find with definitive data what is the real impact in the county from an economic point of view when choice acreage is taken off the tax rolls and when 14,000 of our youngsters come from homes of federally connected people who work outside of the State, the so-called Montgomery County amendment that has been referred to earlier.

We would like to look at that and look at it in concert with the county government because we believe it will be helpful to you. For example when the Bureau of Standards located out along Interstate 70 it took 350 choice acres of land off our tax rolls. We are not opposed to that. But the allegation has been that because the Bureau of Standards is there and Atomic Energy is right up the way, it was constructed and occupied during the Eisenhower administration, then the allegation is that we benefit far more economically by having those facilities there than we do through any loss of impact aid.

So I want to express satisfaction and appreciation for the way the Congress has exercised its leadership in containing Federal administrations that have tried to kill this bill. So we want to study this impact in our county and to try to do it in a meaningful way over the next several months, given the benefit of some additional—call it a "stay of execution" in the present provisions of 93–380. That would give us some time to study the fiscal impact. In the meantime we can let our citizens know what this particular program would do to us. As we understand the intentions as talked about here by the Commissioner of Education in this hearing room back on February 27 the program would take us from the current level down to if tier 1 were enacted and appropriated about $1 million from $6.8 million. So we would lose about $5.8 million under that or if tier 2 can into be it would be roughly $1.3 million more.

You might say that isn't too great in terms of total dollars when you have a couple of hundred million dollar operating budget. I would like to also share with the committee what the facts of life are over the last decade to us and to say that back 10 years ago Federal impact aid amounted to about 6.7 percent of our budget. Currently it is 3. If this portion of the amendment comes into being we would be eliminated from the program.

Not only at the Federal level have we faced a decline in the percentage of funds to help our program but at the State level it has gone from 19 percent down to 17.4 percent. All of this adds up and the local burden on our residents in the county has gone from 75 percent to 80 percent over that same span of time which means that the citizens of

the county that we are here to represent as part of the school system administration must then pick up what we call a disproportionate additional percentage.

The cutback in the program as we see it would be about 12 cents on the tax rate. That may not seem large to some people. When we talk to taxpayers we get the message that that is a substantial increase.

So, Mr. Chairman, I appreciate the opportunity to share these few remarks with you. Thank you.

Mr. FORD. Thank you very much. I see you are well aware that we have carried the specter of your very rich county when we are discussing this legislation. For many, many years I have been talking all over this country about impact aid in one form or another, all day hearings. Your county is mentioned more than any other county in the country as an example of a super ripoff.

I had an interesting experience I would like to share with you. When we passed title I the Secretary of HEW and his wife belonged to a PTA out in Chevy Chase, which I don't think has any $70,000 homes. After I explained the Elementary-Secondary Education Act to the PTA one gentleman stood up, quite upset, and said, "Well, this is a ridiculous program because all it does is take care of poor kids and we don't have any poor kids in Montgomery County."

Do you know offhand how many children in Montgomery County qualify for title I funds?

Dr. HENRY. Yes. I will call on Mrs. Kohut. She is with our Federal office. Do you happen to have the figure, Mrs. Kohut?

Mrs. KOHUT. I think it is about 2,800.

Dr. HENRY. 2,800. I think Head Start is part of that program too. These operate in about 19 of our 205 schools. So there are pockets of poverty, Mr. Chairman, in Montgomery County.

Mr. FORD. I wonder if you could submit and I would ask unanimous consent to have inserted into the record contemporaneously with your remarks a couple of statistical studies for us.

First, I have to ask you, does the survey which I assume you took last fall on potential impact children disclose enough information so that your computer could tell us how many of them live out of the county and/or out of the State?

Dr. HENRY. Mr. Chairman, we don't have that. That is part of the complex nature of how we approach this total problem. We make our surveys strictly on place where they work. There are 26,000 youngsters from federally connected homes. We can go through in time and get that kind of information. But our problem is that we can't do it through some kind of computer application at this time.

Mr. FORD. You are affected in two ways by the formula. First, the B out of State, which is cut off all together, and then the B out of county, so that someone living in Montgomery County or Arlington County and working out there is counted in a different rate. It drops from 50-percent payment to 40-percent payment.

I wonder if it is possible for you to give us some estimates of the impact, not today but for the record, what the impact of those who changes would be.

Dr. HENRY. All right, sir.

[Information referred to follows:]

MONTGOMERY COUNTY PUBLIC SCHOOLS,
Rockville, Md., April 9, 1975.

HON. WILLIAM D. FORD,
House of Representatives, Rayburn Building, Washington, D.C.

DEAR CONGRESSMAN FORD: In response to your request following my testimony this morning before the House Committee on Education and Labor, I am pleased to provide information about the number of "B" students in the two categories below and to indicate the fiscal implications for this county under P.L. 93-380:

Category	Students	Amount		
		Existing law	Tier I	Tier II
Out of county	3,025	$795,908	$227,420	$482,090
Out of State	14,066	3,700,905	0	

With regard to the data about how many federally-connected persons work in Montgomery County installations but reside in other jurisdictions in Maryland, Virginia, and the District of Columbia, we have no means available to determine this information. We are hopeful that the U.S. Office of Education will be in position to provide this informaton in the near future because of its benefit to the Congress in examining the overall situation.

Again, let me thank you for the courtesy you extended in letting me speak about fiscal impact and other relevant matters in Montgomery County. It is good to know that we have your enlightened support in this particular program especially when one realizes that no school systems in your congressional district receive impact aid funds.

Sincerely yours,

PAUL A. HENRY,
Associate Superintendent for Business and Financial Services.

Mr. FORD. And then if it is possible always when this is discussed I hear the pattern that everybody has in their minds that these bridges only go one way out here. We still haven't been able to figure out how much money the District of Columbia is going to lose by the people who live in the District and work over in the Pentagon, for example. There must be some.

But there are people who live in Montgomery County who work in the Pentagon and go out to Prince Georges and back and forth. The beltway goes around the city and there is a pattern that crosses county lines and State lines that doesn't just relate to the District of Columbia vis-a-vis contiguous jurisdictions.

So if you can show us and give us a better understanding of what the pattern for Montgomery County is it would be helpful.

Dr. HENRY. Thank you. We would be glad to do that, Mr. Chairman.

Mr. FORD. Mr. Miller, do you have any question?

Mr. MILLER. No, I don't.

Mr. FORD. Your problem I might say from my own observation, a personal impression, is that there are too many Congressmen living in Montgomery County in $70,000 houses.

Dr. HENRY. Thank you.

STATEMENT OF ANTHONY J. PETRICCIONE, SENIOR BUDGET ANALYST, PRINCE GEORGES COUNTY BOARD OF EDUCATION

Mr. PETRICCIONE. Mr. Chairman, I am Anthony Petriccione. I am senior budget analyst, Prince Georges County Board of Education.

I came down to testify about what is going on in Prince Georges County and the implications of the impacted aid. At the present time we have 43,000 students who are affected by impact aid. Under the old law—and there was a questionnaire they sent out to us—we had anticipated $14 million.

Impacted aid represents about 5½ percent of our total budget revenue. It is essential to us to try to get as much impacted aid as we can. If the impacted aid were to drop to an area of $11 million in 1976 and then thereafter the tax implications in Prince Georges County would indicate the average taxpayer would have to pay an additional $75 to $125 more in real estate taxes. This is based on a tax assessment of one penny for every $400,000 being reaped in revenue from the tax.

We have compiled all kinds of figures and measured this thing every which way. We find that the implications in the long range would cost the taxpayer almost $350 a year in real estate tax increase. At the present time in the State of Maryland this is an essential part of our budget plan that we receive this revenue.

I am down here to appeal to you to try to get this impacted aid together so that we can get our fair share.

Mr. FORD. Do you have any estimate yet on what the effect of the B-out-of-State provision would be?

Mr. PETRICCIONE. The B out of State? I would like to submit to you through the mails some revised figures. I didn't come with that. I merely came with the questionnaire that we prepared.

Mr. FORD. And perhaps the B out of county also, if that is available to you.

[The information follows:]

Response to Mr. Ford's question:

Total B	40,963	
Out of State	21,749	(54.3 percent)
Out of county (including out of state)	24,220	(60.5 percent)

Mr. FORD. Let me ask you this. How many title I children do you have in Prince Georges County?

Mr. PETRICCIONE. In Headstart we have 250.

Mr. FORD. All of title I?

Mr. PETRICCIONE. Title I is operating at 33 schools at the present time. I do not recall an exact figure. I would say it is 34,000, off the top, totally affected. I am talking about Operation Moving Ahead which is our largest title I program.

Mr. FORD. 34,000.

Mr. PETRICCIONE. I believe it is about that high; yes.

Mr. FORD. And you have about 36,000 impact children?

Mr. PETRICCIONE. No; we have 43,000-plus affected. You see, the median income in Prince Georges County is substantially lower than

its neighboring county. It is considered to be a working class county because of the way it has developed. We have Andrews Air Force Base and several other large military establishments within the county which have effectively divided the county up into two sectors: a southern sector and a northern sector.

Population has developed in certain specific areas which border on the District of Columbia as you go out into the county because of the location of Andrews Air Base. South of that point in the county is rural. North tends to be—the center, actually, is apartments—and north is the population base in Bowie in that area there. Then we go on to the peripheral area of the county bordering right on the District of Columbia. So it has quite a mixed population which tends to reduce the median income.

A tax rise is really going to be a very detrimental—in my own opinion, I am sure—then to the taxpayer in the county. That is why I felt obliged to testify.

Mr. FORD. Does the air base along the river still operate elementary schools for their children?

Mr. PETRICCIONE. What is that? Patuxent?

Mr. FORD. Bolling.

Mr. PETRICCIONE. Bolling? I don't believe that school is operational. It was ended, I believe, during the Eisenhower administration.

Mr. FORD. But for a short time some years ago temporary buildings were put up on the field and they operated a school. Do you know if it is still operating?

Mr. PETRICCIONE. I don't know. But I can check it out, sir.

Mr. FORD. I wonder if you would do that and also see if you can find out what kind of school population is being generated from Prince Georges out of the tremendous buildup of military housing on Bolling? We have been pumping a great deal of money into building housing on Bolling. It has become almost exclusively that kind of function.

Mr. PETRICCIONE. Those figures are available.

[Information referred to not received by subcommittee.]

Mr. FORD. Thank you very much.

The committee will stand in recess subject to the call of the Chair.

(Whereupon, at 11:52 a.m., the subcommittee adjourned, to reconvene at the call of the Chair.)

[Material submitted for inclusion in the record follows:]

EIGHT MILE PUBLIC SCHOOL DISTRICT NO. 6,
Trenton, N. Dak., April 14, 1975.

HON. QUENTIN N. BURDICK,
Senate Office Building,
Washington, D.C.

DEAR SENATOR BURDICK: The Trenton School Board and superintendent of schools are requesting your support for H. R. 5181 for the Trenton School district. Without Impact funds for the Trenton School, our financial position would be quite serious. What seems to be happening to our school district is that we have an increase in state funding and are experiencing a decrease in federal funding, so we are going to be left short on funds again if this happens.

Without the federal funds, our school will not be able to financially run the programs we are now running and we will have to make several cutbacks if this happens. We strongly urge you to support federal funding for education in our state. Thank you.

Sincerely,

LEARY G. GETZ, *Superintendent.*
CHARLES PATCH, *President of Board.*

[Telegram]

SOMERSWORTH, N.H., *April 15, 1975.*

Re: Elementary-Secondary Vocational Education.

Hon. CARL PERKINS,
Education Subcommittee, Washington, D.C.

DEAR REPRESENTATIVE PERKINS: The Somersworth School Board has voted unanimously to urge passage of HR 5181 as proposed by you. Failure to pass promises cutback in teaching and other positions and diminished quality of education in a year when this community is faced with a parochial school closing along with the bad economy. Appreciate your help in this effort.

JOHN H. POWERS,
Superintendent of Schools.

[Telegram]

PORTSMOUTH, N.H., *April 14, 1975.*

Hon. CARL PERKINS,
Chairman, House Education Committee, Washington, D.C.

DEAR CONGRESSMAN PERKINS: It is imperative that your bill to postpone until the fall of 1976 the taking effect of the damaging authorization bill passed last summer in regard to impact aid be voted on favorably.

The Portsmouth, New Hampshire school district as well as surrounding school districts will experience financial chaos if the cuts proposed by the U.S.O.E. are realized.

Thanks for your help and support.

TIMOTHY MONAHAN,
Superintendent of Schools.

OVERSIGHT HEARINGS ON THE IMPACT AID LAWS AND TESTIMONY ON H.R. 5181

TUESDAY, APRIL 15, 1975

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON ELEMENTARY, SECONDARY AND
VOCATIONAL EDUCATION, COMMITTEE ON EDUCATION AND LABOR,
Washington, D.C.

The subcommittee met at 9:40 a.m., pursuant to call, in room 2175, Rayburn House Office Building, Hon. Carl D. Perkins (chairman of the subcommittee) presiding.

Members present: Representatives Perkins, Lehman, Blouin, Mottl, Hall, Quie, Pressler, and Goodling.

Staff members present: John F. Jennings, subcommittee counsel; Christopher T. Cross, minority senior education specialist.

Chairman PERKINS. A quorum is present.

It is a great pleasure for me to welcome before the subcommittee this morning one of our most distinguished Members in the U.S. Congress, Mr. Sikes from Florida. Mr. Sikes has always supported our education legislation and especially has supported the expansion of the impact aid program which benefits so many school districts because of the defense and military installations in the country that have consumed a lot of taxable lands.

Several questions have arisen concerning the new amendments of Public Law 93-380. It is a great pleasure for me to welcome Mr. Sikes here on this occasion. He has with him this morning Mr. Pledger Sullivan, the deputy assistant superintendent from his home county. We will hear these witnesses.

Congressman Sikes, you proceed in any manner you prefer.

STATEMENT OF HON. ROBERT L. F. SIKES, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA, ACCOMPANIED BY PLEDGER SULLIVAN, DEPUTY SUPERINTENDENT, OKALOOSA COUNTY, FLA.

Mr. SIKES. Thank you very much, Mr. Chairman.

First let me express my great commendation for the outstanding and tireless efforts that you personally have made and that your committee has made for better education for America. We have gained greatly in this field under your chairmanship.

I appreciate your interest in allowing me to make this presentation. As you know, I visited with you several weeks ago in the company of the distinguished superintendent of schools of my home county of

Okaloosa in Florida about a subject of particular concern to him and to all of the school authorities of my State and to me. Following that meeting with you, I have ascertained that Governor Reubin Askew of Florida also is apprehensive of the effect of language contained in the Education Amendments of 1974, Public Law 93-380. I have asked for this time in order to urge that the language in question be stricken from the law.

Section 5(d)3 of Public Law 81-874, as amended, provides that if a State has in effect a program of State aid—the Florida education finance program established by the 1973 legislature does provides for an equalization program—for free public education among the local educational agencies of that State, payments under the act—Public Law 874—may be taken into consideration by such State in determining (1) the relative financial resources available to local educational agencies in that State and (2) the relative financial need of such agencies for the provisions of free public education for children served by such agency subject to the provisions in this section.

The above amendment, Mr. Chairman, authorizes the Legislature of the State of Florida to utilize impact funds allocated to each eligible county in determining the amount of State funds to be received for education funding. This could result in the eventual loss of approximately $16,733,911.82 annually in State funds now available to certain counties in impact funds. I believe there are 21 counties in the State of Florida which could be adversely affected by this amendment. As many as eight other States may be similarly affected—I am told it is seven.

It is now proposed in the Florida Legislature that a measure be enacted into law which would count Federal impact funds as a part of total school revenue. This, in simple terms, means that the counties now receiving impact funds would no longer have the full amount of the funds which are specifically appropriated by Congress for their schools. The State does not propose to make up for this deficit to impact area counties. That means the impacted counties would have to endure lower school standards.

The facts of life being what they are, it must be assumed that the State legislators who represent the remaining 44 counties of the State would vote to take this money from the counties which now are receiving it in order to gain more money for their own counties. In simple terms, it looks like a stacked deck unless the language is taken from the Federal law. We simply don't have sources of revenue in the counties to replace that which would be lost to the students and the schools in the counties affected.

The State of Florida, with current provisions for funding public education, does not have a true equalization formula that guarantees an amount of money for every student, regardless of the county that he lives in.

This loss in Federal impact funds would violate the original intent of the concept of impact legislation, which was to guarantee school boards sufficient funds to provide adequate educational programs for dependents of federally connected employees—both military and civilian—who were moved into a county as a result of governmental defense activities, regardless of the financial resources of a county or State.

There are other Federal funds being received by counties in Florida that closely parallel the concept of the impact aid program. These are not currently being considered in my State as local revenue in the State's equalization program. I vigorously contest the Federal Government's position in allowing the use of impact funds as required local effort. If the philosophy of the State is to use Federal funds available to this State for equalization, then there are many other Federal funds and State funds currently received by other counties that should be considered if the equalization philosophy is to be funded in a fair and equitable manner to each student regardless of where he lives.

For example, the Cuban refugee program, Public Law 87-515 provides approximately $11,500,000 for impact Cuban refugee students; Public Law 89-10, Elementary and Secondary Education Act provides $47 million for students of parents in low-income categories; Vocational and Technical Federal Acts of [illegible]63 provides $14,500,000; Neighborhood Youth Corps, Department [illegible] Labor Economic Opportunity Act of 1964, title IB, provides for $3,6[illegible],000 (Manatee County receives $448,000 in this program compared to zero dollars received by Okaloosa County); and several counties in the State are receiving revenue from oil royalties that are not currently being considered as local required effort in the State's equalization formula.

The total amount received from Federal sources is $113,733,911.82 to the State. It would appear that the isolation of a mere $16,756,676 in impact funds to be used in solving Florida's revenue problem in funding the equalization program is not only inequitable but an exercise in futility.

The State of Florida's current method of funding public education, which includes an equalization factor, has been in effect for a period of only 2 years. The economic problems in Florida this current year resulted in the State having to prorate revenue to State and local agencies. It would appear that if this trend continues, the use of impact funds to equalize the State revenue would result in a decreasing amount of total dollars available for students in the affected counties.

We have an excellent rapport with the military establishment in the various counties and appreciate very much the economic impact that these defense installations have in each instance in my county. This plus State forest lands has resulted in half of the land not being on the tax rolls and available for taxation. We do feel that we have a commitment to pupils of military personnel, civil service personnel, civilian contractors, as well as all pupils, to provide the very best educational program possible. This would not be possible under the language which I have asked that you delete.

On behalf of the superintendents and school boards of the affected counties, the military contingency, and the people of each county, I want to sincerely ask you to support full funding of both "A" and "B" pupils pursuant to Public Law 874, or at least the present level of funding and to delete the provision that allows impact funds as required local effort for a State equalization program.

Accompanying me this morning is Mr. Pledger Sullivan of the Okaloosa County school system. He is deputy superintendent and a man fully informed on the subject of impact aid which has been very important to the Okaloosa County school system. I believe he is in position, Mr. Chairman, to answer any questions which you may have

about the general effect of this language on our State and the more specific effect on the schools of our home county of Okaloosa.

I do appreciate very much your courtesy in hearing me this morning.

Chairman PERKINS. We will hear Mr. Sullivan's testimony and then I will have a question for both of you.

Mr. SIKES. Very good.

Chairman PERKINS. We will lay the foundation for the Commissioner who is going to follow you gentlemen.

Go ahead, Mr. Sullivan.

Mr. SULLIVAN. In Okaloosa County we presently have 26,200 students. Of those 26,200 students approximately 13,000 are affected by impact legislation. The problem that we have had in the past 8 to 10 years of providing a quality education program for these youngtsers on a year-to-year basis has been a matter of proration from year to year and a problem without fiscal planning. I would urge and recommend to you that you strike the language in 5(d)3 because of the lack of an equalization formula in Florida that is equitable to each county.

For instance, at the present time under our existing equalization formula there is a 17-percent variable with the cost of living index in the current formula. There is also a maximum millage that we are allowed to levy in each county in Florida of 8 mills. We have to participate in the State program with 6 mills leaving another variable of 2 mills from county to county to county that would further create, I think, an inequitability in the equalization formula.

Another factor that we have in an adjoining county, that county collects oil royalties that are not being considered as the Congressman stated.

The fourth point I would like to make concerning the inadequate equalization formula in Florida is that we have not had this funding program in effect for 2 years. It is not at all stable at this time. What we need in Okaloosa County is some stability with Public Law 874 whereby we can plan from year to year to year for an educational program for these youngsters.

Chairman PERKINS. Let me thank you for your statement. Mr. Sikes, I will not go into many questions since we want the Commissioner to follow you gentlemen this morning about this equalization provision. I don't know what his explanation will be but I myself believe that the way the Office of Education is interpreting this amendment it will be prejudicial against poorer counties. I note that the Office of Education tells us that Okaloosa County is about at the bottom 5 percent in expenditures in Florida so it is one of the poorer counties, as I take it, within the State of Florida.

It would help us if you, Superintendent Sullivan, could document this for us and indicate exactly how much you would lose in impact aid due to this amendment. Are you going to receive any increase in State funds? Would you want to expand on that just a little?

Mr. SULLIVAN. Yes, sir, I will be happy to respond to that question. We would lose approximately $2.8 million with the equalization formula that we now have in Florida.

Chairman PERKINS. And on State funds——

Mr. SULLIVAN. No, sir. We will not get any additional funds from the State. This past year we were prorated at 3 percent because of the

economic conditions in the State of Florida. Every county in the State was prorated at 3 percent of the current level of the funding for this year so the point was well taken a minute ago. What we are doing in Florida, we are equalizing downward rather than upward so far as our funding is concerned.

Chairman PERKINS. I see your point. I hope the committee will get this straightened out.

Mr. Hall, do you have any questions at this time?

Mr. HALL. No questions, Mr. Chairman.

Chairman PERKINS. Counsel.

Mr. JENNINGS. What is the total budget for the district? You said you would lose——

Mr. SULLIVAN. Our total budget for this year is $19 million.

Mr. JENNINGS. How much have you been receiving from impact aid?

Mr. SULLIVAN. We have been receiving from impact aid approximately 2.6 to 2.9.

Mr. JENNINGS. Does the Florida plan equalize all local expenditures? Is it designed to do that?

Mr. SULLIVAN. Equalize all? No, sir.

Mr. JENNINGS. Under the terms of this new amendment to Public Law 874 the State could only take into account that proportion of local expenditures which are equalized by the State so the $2.8 million is very high.

Mr. SULLIVAN. That is correct, sir, at this time but it has been our experience from year to year to year as we have experienced new language under provisions of Public Law 874 and it might not happen in this case. For the past 8 years Okaloosa County has been losing money, not gaining any dollars at all. We still have the students but the pro rata section—section 6—is funded 100 percent. The 25-percent factor under the Dirksen amendment affecting the bill, they are funded 100 percent.

We are funded at 90 percent of our A's and we were funded about 68 percent of our B's. The new language in the law will result in our being funded at about 60 percent, 50 percent and 40 percent. So it appears that each time new language—and this is why I am saying that we are very apprehensive about the equalization language. There are a lot of relatively unknown factors from year to year that could create a variable in Okaloosa County planning for 26,000 students and it appears that each and every time, as I stated before, that we have new language in the law it results in a loss of funds for Okaloosa County that we have no way of replacing.

Mr. JENNINGS. I would like to point out that part of the problem you refer to is not a problem with the authorizing language but rather a problem with the appropriations process.

Mr. SULLIVAN. That is right.

Mr. JENNINGS. Where the appropriations have not been adequate.

Mr. SULLIVAN. That is correct.

Mr. JENNINGS. Are you saying this year you have lost $2.8 million?

Mr. SULLIVAN. No, sir. If the State law is passed——

Mr. JENNINGS. And if the Commissioner certifies Florida.

Mr. SULLIVAN. If the Commissioner certifies Florida as being eligible, then it would result in a loss of $2.8 million.

Mr. JENNINGS. Thank you, Mr. Chairman.

Chairman PERKINS. Any further questions?

Mr. Cross.

Mr. CROSS. No questions.

Chairman PERKINS. Let me ask you, Mr. Sullivan, would it be your suggestion to the committee that we postpone all the new amendments that were enacted last year for at least 1 year until we are able to explore and probe deep in order to ascertain the true effects of those amendments and how they affected the impacted school districts throughout the country?

Mr. SULLIVAN. Absolutely. I would concur in that 100 percent. I would think a year's moratorium would be wise and give each superintendent from affected districts like ours an opportunity to give input as to the problems that we currently have with——

Chairman PERKINS. Presently with the law as it is written now you will not have time and no one will know the aftereffects unless we do postpone.

Mr. SULLIVAN. Absolutely. That is correct.

Chairman PERKINS. We have a bill to that effect and I certainly hope that we can pass it.

Mr. SULLIVAN. I appreciate your help.

Chairman PERKINS. Mr. Blouin, any questions?

Mr. BLOUIN. No.

Chairman PERKINS. Mr. Goodling, any questions?

Mr. GOODLING. No.

Chairman PERKINS. Well, let me thank you distinguished witnesses this morning and especially you, Congressman Sikes, for calling this problem to our attention.

We are now going to see what Commissioner Bell has to say.

Mr. SIKES. Thank you very much, Mr. Chairman. We appreciate the opportunity.

Chairman PERKINS. We hope the Commissioner will agree to the postponement of these amendments.

Come around, Commissioner Bell.

Commissioner Bell, identify yourself for the record and proceed accordingly. Identify the gentlemen who appear with you; I know several of them. I have been around here a long time.

STATEMENT OF HON. TERREL H. BELL, COMMISSIONER OF EDUCATION, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, ACCOMPANIED BY CHARLES M. COOKE, JR., DEPUTY ASSISTANT SECRETARY FOR LEGISLATION (EDUCATION), DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE; ALBERT L. ALFORD, ASSISTANT COMMISSIONER FOR LEGISLATION, OFFICE OF EDUCATION; AND WILLIAM STORMER, ACTING DIRECTOR, DIVISION OF SCHOOL ASSISTANCE IN FEDERALLY AFFECTED AREAS, BUREAU OF SCHOOL SYSTEMS, OFFICE OF EDUCATION

Dr. BELL. Mr. Chairman, we are pleased to be before this committee again. I would like to commend and ad lib that we appreciate the great influence upon American education that this committee has

had through the years and that the chairman has had. It is a pleasure to be before you even when I don't always agree on various issues and there may be two or three that we may not agree on this morning, Mr. Chairman.

I am pleased to introduce Mr. Charlie Cooke, Deputy Assistant Secretary for Legislation in our Department; Mr. Bill Stormer, who is the Acting Director of the Division that administers impact aid; and then Dr. Al Alford, who is Assistant Commissioner for Legislation.

I have a very brief statement, Mr. Chairman, and I will read it for the record, if that is all right. It is only three pages.

Chairman PERKINS. You may proceed.

Dr. BELL. We appreciate the opportunity to present our response to some of the concerns raised by your committee members since we last testified on the subject on February 27. I would also like to comment on your related proposal to delay implementation of some of the impact aid provisions of Public Law 93-380.

In our previous testimony we discussed in some detail the number of additional steps required to determine local education agency payments, including the complications of some four "hold harmless" provisions. I feel that during that hearing and subsequently there has been considerable misunderstanding about our ability to administer the new impact aid program and I would like to clear up that misapprehension.

The least accurate impact aid data is that which relates to low-rent housing and the new handicapped category. As you know, we have never required the submission of such data, and since payments have never been made for low-rent housing pupils there has been no incentive for school districts to collect that data if they qualified on the basis of other pupils. However, low-rent data have been submitted to us on a voluntary basis by many school districts. In addition, we have obtained low-rent housing pupil data collected by the impacted area aid school group through a special survey. In our estimates, we have used the higher of either our figures or those provided by IAASG which is the impact aid organization.

The IAASG survey also collected estimates of the number of possible "extra payment" handicapped children which we have used. We think the handicapped item is so small in magnitude that any variation in these counts will not have an appreciable effect on the school districts involved.

We have gathered all of the other data from our official files which would, of course, be subject to change based on applications filed January 31 of next year for fiscal year 1976. Overall we feel the estimates [based upon 1975 data projected to 1976] will have a reasonable relationship to actual payments, though not quite the accuracy we would have on the old program data which has been processed for many years. We have provided you with estimates for each school district based on this data.

I might say parenthetically that the items transmitted and an explanation of the data are included in a memo that has been provided to the committee staff yesterday and copies are available for the committee.

I would like to point out that our actual payments for fiscal year 1976 will depend not upon these or any other estimates but actual

data submitted by school districts. Therefore, I want to emphasize once more that we fully expect to be able to administer the new impact aid provisions. Any interpretation to the contrary we would suggest is erroneous.

At present we expect to send to school districts in September forms which will require the necessary new data for handicapped children and public housing children. We will program our computer to handle this data and should be able to calculate exact school district allotments starting in February or March. As final payments do not normally occur until the early part of the fiscal year following the year of appropriations, we will have accurate data months before final payments are made.

With reference to H.R. 5181, your proposal to delay the effective date of certain amendments to the impact aid legislation, we do not believe it would provide any appreciable relief for the administrative problems we face. If anything, it may make our administrative problems worse as it actually retains those parts of Public Law 93-380 which are or will be causing us the most problems. For instance, H.R. 5181 would fund both low-rent housing and the extra payment for handicapped children of military personnel. These are the two data bases we believe require further refinement.

It would also implement "hold harmless" provisions which are another source of complication in the new law. While it would delay implementation of the tier system of payment and the variable payment rates, we believe there are equity advantages to the variable rates. If we are going to have to ultimately implement the tier system, we would prefer to do it now, since we have already begun to take the necessary steps to make these provisions effective.

My colleagues and I will be happy to respond to questions and will be most pleased, of course, to respond to further discussion on the matter raised by the Congressman from Okaloosa County in Florida.

[The memorandum referred to follows:]

APRIL 14, 1975.

Memorandum from: Acting Director, Division of School Assistance in Federally Affected Areas.

To: Staff Assistants,
House Education and Labor Committee,
Subcommittee on Elementary, Secondary, and Vocational Education.

Subject: SAFA Data.

Copies of the following materials were delivered April 7.

A. P.L. 81-874 1976 Estimates Based on Fiscal Year 1975 Application Data and Impact Aid Group Data on Public Housing and Handicapped Payments. (ADA, Entitlements, Payments, and Hold-harmless Items Reported by School District) (Three or four Volumes, 2963 pages).

B. P.L. 81-874 1976 Estimates Based on Fiscal Year 1975 Application Data and Impact Aid Group Data on Public Housing and Handicapped (School District Summaries by Congressional District) (1 Volume, 232 pages).

C. P.L. 81-874 Fiscal Year 1974 Data and 1976 Estimates based on Fiscal Year 1975 Application Data and Impact Aid Group Data on Public Housing and Handicapped (Entitlements and Payments Fiscal Year 1974; Fiscal Year 1976 Present Law and Fiscal Year 1976-P.L. 93-380) (1 Volume, 226 pages).

D. P.L. 81-874 1976 Estimates Based on Fiscal Year 1975 Application Data and Impact Aid Group Data on Public Housing and Handicapped Payments (State Totals for ADA, Entitlement, 3 Tiers Sum Tiers #1 and 2, Hold-harmless Provisions, and Sum Tiers #1 and 2 plus highest Hold-harmless) (8 pages).

Comments on the data submitted follow:

The report is based on the number of Federal children claimed in connection with eligible Federal properties in Fiscal Year 1975 applications filed for January 31, 1975 cut off date. The number of children in membership are claimed, therefore, it is necessary for payment purposes to estimate the number that will be in average daily attendance (until the actual total number in average daily attendance is reported by the school district following the close of the school year).

Some school districts encompass more than one county but present data include only the mailing address. Thus, for the present, only one county has been identified for such a school district. In these cases some children who should be categorized as "in the same county as the school district" will have been placed in the category "out of county".

LOW-RENT HOUSING PUPIL DATA

These data represent an accumulation of the highest figure reported for an individual school district in its P.L. 874 application, in the special survey conducted by the Impact Areas School Group, or in some instances, data furnished by the Library of Congress. (The majority of the data was obtained from the P.L. 874 applications filed in Fiscal Year 1975.)

Of the larger cities only school districts serving eight cities are not reflected in the total of 688,966 pupils in ADA associated with low-rent housing. These cities include Phoenix, Seattle, Tacoma, Spokane, Portland, Indianapolis, Cleveland and Albuquerque. Certainly, when data for these cities are provided the ADA figures will rise. However, it is questioned whether 200,000 or more ADA will be added to the current estimated number. Pupils in eight cities will not provide that increase. It is doubtful that many school districts, generally located in the Southern regions of the nation, which are not how applicants under P.L. 874 will have sufficient low-rent housing pupils in ADA to meet the minimum number of 400 or 3 percent to qualify for assistance.

In previous years we have separated an "A" public housing child into two "B" portions in order to fund the "B" portion that is unrelated to public housing. the language of the new amendments establishing varying rates of payments for subcategories of "A" and "B" children appears to prohibit such separate "B" portions in 1976. In this special report, any child in either an "A" or "B" subcategory that is associated with public housing has not been funded in Payment Tier 2.

SPECIAL EDUCATION PUPIL DATA

Of the data contained in this report, these are the most susceptible to question. No similar information is contained in P.L. 874 applications submitted for Fiscal Year 1975. No information is available from sources other than the Impacted Areas School Group survey. From the approximately 1500 forms submitted by the latter group, school districts reported 5788 Special Education ADA in approved special education programs.

If children of parents in the Uniformed Services requiring special education represent 2 to 2.5 percent (our previous estimates) of the total of such children then the above data reflect between 40 or 30 percent of the estimated ADA in this category.

The number of special education pupils claimed separately in categories "A" and "B" Uniformed Services represent identical percentages ⅓ of 1 percent) of the total ADA in each category.

Our present interpretation of the new amendments relative to special education is that such additional sums are provided for handicapped children of parents in the Uniformed Services only, and not also for handicapped Indian children. Thus, data were sought for only the handicapped children with parents in the Uniformed Services.

SECTION 3(e)

No estimates were made for section 3(e) in either 1975 or 1976. Many school districts would not yet have applied for 1975 and since the same number of children were used for both 1975 and 1976, the data would not show any decrease in 1976. Initial data indicate continuing decreases in Federal attendance; a number of school districts could be expected to apply under Section 3(e) in 1975. A number may also be expected to apply in 1976; however, benefits under the "new" 3(e) effective in 1976 are substantially less than the benefits provided through

1975. This would not hold true for districts heavily impacted with public housing children who might qualify under 3(e) in 1976—their entitlement in 1976 would be 90 percent of 1975 *entitlement* even though they were not actually paid in 1975.

ELIGIBILITY

Every year a number of applicants do not meet the 3 percent (or 400) eligibility requirement. They are eligible for entitlement if they met the three percent requirement in the previous year or they are eligible for half their entitlement if they met the three percent requirement in the second preceding year. The 1975 data base was established by the receipt of applications for this year. If such applicants: (1) were entitled to only half their entitlement in 1974, (2) were older applicants but not estimated to receive entitlement in 1974, or (3) were new applicants, a test was made to check their meeting the three percent (or 400) requirement. If the school district met this test their data were entered into the 1975 data base. If they did not meet the test only the name of the school district was maintained in the file to indicate the receipt of an application. Thus, in the report which indicates estimates for several years, some districts will show data for 1974 only and some will show data for 1975 and 1976 but not for 1974. Some will not show data at all. The eligible or ineligible status of all 1975 applicants will be firmly established by an individual review of an applicant's Initial and final data.

SECTION 6

It should be noted that Section 6 requires a separate appropriation or a specified amount within a general appropriation. It is not included within Payment Tiers 1 and 2. The amount for Section 6 ($46,000,000) must be added to the total reported for Payment Tiers 1 and 2.

HOLD-HARMLESS PROVISIONS

Separate total amounts for each of the four hold-harmless provisions have been estimated on the basis of full funding Payment Tiers 1 and 2. In addition, we have emphasized that if all four hold-harmless provisions are intended to be funded, only the highest of the four should be paid to an applicant. Therefore, the report shows a total of Payment Tiers 1 and 2 and the highest hold-harmless amount.

"C" PROVISIONS

The computation for the hold-harmless provision relative to out-of-county and out-of-State "B" children in the special report includes the new B(1) status of the formerly eligible, but now ineligible, "A" child in the total number of B's. However, the "B" loss of the former "A" child has not been included because we do not believe that the provision intends to hold-harmless any "A" loss either partial or full. This results in a larger number of "B losses" necessary to meet the 10 percent (of total B's) to qualify for the provision and therefore seems to be unfair. (The estimate for this provision is high because the computation was based on total 1975 payment rather than 1975 "B" payment only. Time did not permit correction of this error. It is in the process of being recalculated.

"B" PROVISIONS

The only method we could quickly devise to estimate the hold-harmless provision relative to "base closings" in the time permitted for the special report resulted in identifying all potential applicants and a much higher amount of this provision (after funding Payment Tiers 1 and 2) than we know is necessary. The total decreased in Federal attendance for those school districts claiming properties announced April 17, 1973 and March 5, 1975 as decreasing in Federal activity or closing were used to compute estimates. These estimates are being refined to exclude decreases other than those relating directly to the specific Federal activity announced for decrease and/or closing.

"D" PROVISION

The estimate for the hold-harmless provision relative to public housing is in error to the extent that it includes amounts for Section 2. This will be corrected.

WILLIAM L. STORMER.

Chairman PERKINS. Mr. Commissioner, it is my understanding from your testimony that the Office of Education has not itself conducted any special surveys concerning all these new amendments that were ruled into the impacted law last year to analyze the effects they will have on the various school districts due to the loss of funds.

Now it seems that you are instead relying on incomplete data in your own files, and on an admittedly incomplete survey by the impact school group to make your estimates. If that is correct, why haven't you conducted any special comprehensive surveys? It was our clear intent to delay all of these amendments for 1 year in order to give the Commissioner of Education time to analyze their effects.

It also seems that you did nothing about these amendments until February 27 when we conducted a hearing, and then you produced incomplete estimates on April 5, a mere 85 days before the amendments were to go into effect. Don't you think that you were a little lax and didn't take your responsibilities seriously enough, maybe because of the lack of time, since these amendments are so far reaching and that you need more time now before these amendments should be put into effect, Mr. Commissioner? Answer those questions.

Dr. BELL. Yes, Mr. Chairman. First of all, I would indicate that the estimates that we have we think are reasonably accurate but not entirely precise, but as I indicated——

Chairman PERKINS. Those estimates are based on surveys made by impacted areas throughout the country.

Dr. BELL. That is true. But the point that I made in my testimony is that we will have hard data when the applications are submitted and they will be submitted far enough in advance since these amendments not take effect until fiscal year 1976.

Chairman PERKINS. There is no way that you can get hard data until next year? Am I correct about that?

Dr. BELL. That is true but we are not allocating the money until next year. When we get down to the final allocations, Mr. Chairman, we will have the hard data and we will be able to make these allocations.

Chairman PERKINS. Don't you think that we should delay the amendments a year in order to get this hard data and in order that we would know really what we are doing?

Dr. BELL. Well, the point that I made in my testimony is that the two areas where we have the least accurate data are the areas that you are going to continue, that you are not going to delay for a year; namely, the public housing and the handicapped. Now these are the areas which we are struggling with for data and these are the areas that your present bill proposes to leave in effect. So those that are the most troublesome for us are the ones that your present bill leaves in effect at the present time, Mr. Chairman.

Chairman PERKINS. Mr. Commissioner, if I understand you correctly, you state that the problem with H.R. 5181 is that although it delays most amendments to impact aid it would retain the two amendments causing the Office of Education the most problems—the provision giving additional payments for handicapped children of military parents and the provision giving payments to school districts for low rent public housing children. I would like to point out two facts from your own testimony which I feel disputes that assertion.

First, you admit in your testimony that the handicapped item is of such magnitude that any variation in these counts which you have been using will not have any appreciable effect on the school districts involved. Therefore, if the handicap provision presents no problem in terms of implementing the amendments on July 1, it should present no problem in accepting H.R. 5181 since the handicapped amendment is identical in both. Am I correct in that statement?

Dr. BELL. Well, I would concede, Mr. Chairman, that the provision for handicapped children is going to require a relatively small amount of money.

Chairman PERKINS. I don't think we are far apart there and I think that——

Dr. BELL. On the housing it is a different matter.

Chairman PERKINS. Let's take the public housing provision where you admit you are presently using incomplete data in making your estimates since school districts serving eight large cities, including Cleveland and Indianapolis, have not submitted any public housing data and since many other school districts have probably underestimated their count of such children. There is a major difference, however, in using this incomplete data as between H.R. 5181 and the amendment scheduled to go into effect on July 1.

Under H.R. 5181, 863 million must be paid off the top of any appropriation for impact to school districts for public housing students. Additional payments for public housing students can be made on only half, all other A and B children have been paid in full.

On the other hand, under the amendments you support any school district reporting any public housing students in fiscal year 1976 must be paid for 25 percent of those students' entitlements under the first tier. So any miscalculation or underestimate of the number of public housing children can have serious repercussions.

Don't you think that would be most inequitable, Mr. Commissioner, if you undertook to go ahead and implement this public housing provision without any satisfactory data at all?

Dr. BELL. I would like to ask Mr. Stormer to respond to this.

Mr. STORMER. Mr. Chairman, our estimates are based on data which we collected from the fiscal year 1975 applications. I believe this is the first time we have been able to project on current data and with respect to the low rent housing category pupils, our data currently show 700,000 pupils in this area. We believe this is a reasonable estimate.

We have highlighted the fact that we have scanned and identified that there are roughly eight larger cities and school districts which service them which have not supplied the data for those types of youngsters. Following review of applications and survey data that came in following the automatic data processing runs, we picked up the data from Cleveland and from some other cities and we have picked up only an additional 20,000 pupils. We do have a theory that we are going to be somewhere in that neighborhood of 700,000 to 900,000 pupils.

Chairman PERKINS. You are still doing an awful lot of speculating, don't you think?

Mr. STORMER. I think we have mentioned that there are a number of low rent housing units located in school districts and those school districts are the type that will——

Chairman PERKINS. My question is, you are speculating in that connection.

Dr. BELL. I think "estimating" is a more accurate term than "speculating."

Mr. STORMER. Just as an illustration, for example ——

Chairman PERKINS. I asked the question if it was not speculation and the Commissioner states that he thinks "estimating" is a more accurate term. Whether it is speculating or estimating, you have no hard data, do you?

Mr. STORMER. Yes, sir, I think we do have hard data in the 700,000 count we have at the present time. I believe, as an example, the New York City count of housing ——

Chairman PERKINS. Let me ask you another question. A week ago the Commissioner sent the Congress regulations for some of the minor 1975 amendments to the impact aid laws. It is my understanding though that these regulations do not include the most important amendment, the one dealing with equalization. Furthermore, you have not sent Congress any regulations at all for the fiscal 1976 amendments, the major amendments revising the entire impact program.

How can you expect to implement those amendments beginning July 1 when you have not written regulations for them and when in fact, you have not even completed writing regulations for amendments which went into effect last July 1? Am I correct?

Dr. BELL. Yes, you are correct, Mr. Chairman, but we would point out that we have moved first on the regulations that affect fiscal year 1975. I would indicate that we think with the considerable degree of success we have had in implementing this year's impact aid law with those regulations just coming into effect, that we will be in much better shape next year. We think that our regulations will be in place almost as soon as the appropriation is completed. In fact, if appropriations come from Congress about the same time as they did last year, we will be in place far ahead of that time. So we don't see any problem at all with our fiscal 1976 regulations.

Chairman PERKINS. Mr. Quie, you ask any questions you want.

Mr. LEHMAN (presiding). Mr. Quie.

Mr. QUIE. Thank you, Mr. Chairman.

Mr. Commissioner, I recognize that you never asked the questions before on public housing because you never had to. We had a law, but we didn't put any money into it. While some might think you should ask the questions anyway, I know you are not spending the money if you don't have to do it.

To me this is similar to the problem we had when we started out with title I of the Elementary and Secondary Education Act. The Federal Government did not know who was educationally disadvantaged, but they had some information on who was poor. The local school district didn't know who was poor, but they knew who was educationally disadvantaged.

Although you don't now know where all the public housing individuals are, at least this information is quickly available to a local school district, is it not?

Dr. BELL. Yes, and we think we will retrieve it in ample time to administer and notwithstanding the fact that we don't have it now.

Mr. QUIE. When did you make the checks available for school aid?

Mr. STORMER. The first checks were made to approximately 30 districts which are extremely heavily impacted during the period of August and September. The bulk of the payments are made after the applications' deadline of January 31.

Mr. QUIE. I notice those 30 school districts are very unlikely to have any public housing or any significant——

Mr. STORMER. Basically they are impacted districts.

Dr. BELL. The point we should make for the record, Mr. Quie, and I know you know it but I want to say it for the record, we have paid initially and have for years on estimates and then we pay our final payment after we get actual data. I think that is most important to consider in this discussion so no one will have the impression that payments that go out in the early part of the year are final payments. So there is no way to reconcile our books and to make the payments quite as precisely as the entitlements say that they should be made until after we have actual data.

Mr. QUIE. But the end of June to January, for those 30 school districts, you make the payment because of the extreme hardship of the impact due to the Federal Establishment rather than public housing?

Dr. BELL. That is correct.

Mr. QUIE. So for anybody who then would have any amount or any significant degree of public housing, when would the first payments be to those school districts? Would that be after January 30?

Mr. STORMER. It would be after January 30 and usually it would be approximately the 1st of March. That is when the flow would begin.

Mr. QUIE. So we are at least 10 months from that time.

Mr. STORMER. That is correct.

Mr. QUIE. Now when are the final payments made, when all the information is in?

Mr. STORMER. The final applications are received in September and final payments are made in September after the conclusion of the fiscal year. For example, in fiscal year 1976 the final applications would be in September of 1977 and you are really in another fiscal year.

Mr. QUIE. In other words, the first payments begin after the 1st of March?

Mr. STORMER. Right.

Mr. QUIE. And the final payments would——

Mr. STORMER. Would begin.

Mr. QUIE. In fiscal 1977?

Mr. STORMER. Fiscal 1977.

Mr. QUIE. These are the final payments in the 1976 fiscal year?

Mr. STORMER. That is correct.

Mr. QUIE. So that means for the final payments we have at least a year and a half?

Mr. STORMER. That is right.

Mr. QUIE. So with 10 months before the beginning payments are made and a year and a half before the final payments are made, there should not be any reason why not only the local school districts have that information but also the U.S. Office of Education.

Dr. BELL. That is right, sir.

If I could, I didn't respond accurately or fully to one of Mr. Perkins' questions about the regulations on equalization. These regulations are

now completed and have been signed in my office. They are tentative proposed rulemaking so the committee will have ample opportunity to comment and give us advice on them. The regulations are now pending the Secretary's signature and we anticipate that will happen this week or early next week, Mr. Chairman. So the equalization regulations are, we think, in good shape.

Mr. QUIE. I just wanted to ask those questions to make certain that the members would have in perspective what we are talking about rather than looking at the necessity of having all that decided by June 30 of this year. There would be a good argument for a delay if all that had to be known and payments made by June 30.

Dr. BELL. That is right, Mr. Quie.

Mr. QUIE. By that time I think we will have had ample opportunity. I think those are good first step amendments that we have made to the impact aid law last year.

Thank you, Mr. Chairman.

Mr. LEHMAN. Thank you, Mr. Quie.

Mr. Hall.

Mr. HALL. I have no questions.

Mr. LEHMAN. The gentleman from South Dakota, Mr. Pressler.

Mr. PRESSLER. If there is a heavily impacted area, can you make advanced payments for schools to start up their operations without this sort of additional data? I mean do you do that very often?

Dr. BELL. Yes. This is a common practice every year but we reconcile by our final date the amendments of the year. This is common among all of the States in allocating their funds. You make payments on tentative data and some of them are estimates.

Mr. PRESSLER. Then you reconcile your final payments down to the final dollars based on other data that you have in the year?

Dr. BELL. That must be reconciled.

Mr. PRESSLER. What if you find you overpaid somebody?

Dr. BELL. Based upon the experience of this program, and we have had considerable experience, that does not happen. We hold back enough to allow enough slack for that not to happen. If it did happen, of course we would ask for a repayment. If the school system refused to do it, we could reconcile it the following year. There are plenty of other Federal funds besides impact aid that we could reconcile it against so that the Government would not be unjustifiably paying a district in the unlikely event that that happened.

Mr. PRESSLER. No further questions. Thank you very much.

Chairman PERKINS. Mr. Commissioner, you still feel that these regulations in view of the time element, and in view of the fact there is no hard data available, should not be delayed for another year?

Dr. BELL. Well, Mr. Chairman, I think a year's delay is just going to postpone getting into it. We have deliberated on this to a considerable extent. This is our view. We feel that we can implement the law. As I tried to point out here in responding to Mr. Quie's questions, we are confident of our capacity to get the data by then. I would say to the chairman that I think we could have started earlier on this but I would point out that we have had the entire new act to implement.

Chairman PERKINS. I know we get busy and have a tendency to procrastinate but if we would have started even 6 months earlier I feel that we could have come up with some definite information for the various

impacted districts and would have known what was happening and whether they would gain funds or lose funds, but to come at this late hour without the proper studies being made and say we are going to implement all these amendments, I feel that we are legislating too much in the dark. Mr. Commissioner, do you agree with that?

Dr. BELL. Well, I was not here until just before the law was passed so I was not involved in the extensive hearings and deliberations that went on concerning this act before it was passed.

Chairman PERKINS. From an ordinary viewpoint and from a good administrative viewpoint and from your training and experience as an administrator, don't you feel that we are implementing many of these amendments when we really do not know the true effects? Am I correct in that statement?

Dr. BELL. Well, I feel that following the information that we have processed in our computers I have a higher level of confidence in our ability than I did before.

One of the things that the administration feels strongly about is that there are some elements of reform in this law that move not in enormous steps but a couple tiny steps in the direction that the administration would like to go, so we are reluctant to give up that opportunity. We feel that our data are accurate enough especially when we reconcile for the——

Chairman PERKINS. I yield to the distinguished gentleman from Minnesota.

Mr. QUIE. My question, Mr. Commissioner——

Chairman PERKINS. If you will let me say this, I have several 4–H youngsters, ladies and gentlemen, from the great State of Kentucky and I am going to take them back here in this side room and chat with them.

Mr. QUIE. Could you wait just a moment because I am asking this question for your benefit.

I want to ask the Commissioner if we should adopt the Chairman's bill. Would that in any way reduce the administrative problems that you have?

Dr. BELL. It is our judgment that it would not do it appreciably. It may to a small extent but we don't think it would make a great appreciable reduction.

Mr. QUIE. You still have the "hold harmless" provisions?

Dr. BELL. Yes, sir.

Mr. QUIE. And you still have the public housing?

Dr. BELL. That is right. I would point out based upon other programs that we administer, and impact aid has been there a long time, that I feel better about the data base here than I do, for example, about title I in getting those "hold harmless" provisions put into place at the present time. Some of the new provisions in the handicapped part are also troublesome, so this is not the only challenge we have and we think maybe it is less difficult than some of the others.

Mr. QUIE. Thank you.

Mr. LEHMAN [presiding]. Mr. Pressler, I think you were on deck.

Mr. PRESSLER. No questions.

Mr. LEHMAN. Mr. Quie, do you have any additional questions?

Mr. QUIE. No, that is all.

Mr. LEHMAN. Mr. Hall.

Mr. HALL. No questions. Thank you.

Mr. LEHMAN. I just want to thank the Commissioner and his staff for being here. I certainly learned a lot this morning and learned more than I wanted to.

Dr. BELL. Thank you.

Mr. QUIE. Mr. Commissioner, do you have any tally on how many congressional districts gain and how many congressional districts lose if we went to the chairman's bill; and, second, how many States gain and how many States lose?

Dr. BELL. Do you have, Bill?

Mr. STORMER. At this point, no.

Mr. QUIE. We have this big book here, and I thought maybe you counted them.

Dr. BELL. We brought you 3,000 pages of data but we don't have that one item.

Mr. STORMER. It is in there.

Dr. BELL. Mr. Stormer says it is in there but we don't have it on the bottom line.

Mr. LEHMAN. The subcommittee stands adjourned.

[Whereupon, at 10:35 a.m., the subcommittee adjourned.]

[Information submitted for inclusion in the record follows:]

U.S. SENATE,
Washington, D.C., May 13, 1975.

HON. CARL D. PERKINS,
Chairman, House Education and Labor Committee,
Rayburn Building, Washington, D.C.

DEAR CHAIRMAN PERKINS: I have been advised that H.R. 5181 introduced by you is presently under study by the Elementary, Secondary, and Vocational Education Sub-Committee of House Education and Labor Committee. Being from North Carolina, I wanted to take this opportunity to stress the importance of this legislation because of the large amount of military and federal property in our state.

Many local governments in North Carolina have depended a great deal on impact aid in financing education, with this being more the case in the areas which are near large military bases. For example, my home county of Harnett is located near Fort Bragg and Pope Air Force Base, so we receive a substantial amount of money from impact aid. A partial loss of these funds would ultimately mean either reduction of school programs or additional revenue would have to be made up through higher taxes. I think you will agree neither of these are desirable.

The current recession has already placed economic hardship on the American people and local governments. North Carolina risks losing millions of dollars for education when alternatives available for maintaining and upgrading our public school programs are very limited. Accordingly, I strongly urge you to persuade the other committee members to give favorable consideration to H.R. 5181 so that Congress can better evaluate the appropriations for impact aid and its importance to local governments.

Sincerely,

ROBERT MORGAN.